

	Rate of Cess	
(i) The Agriculture Produce Cess Act, 1940	0.5 Ad Valorem	
(ii) The Spices Cess Act, 1986		
a) Spices in raw form	2% AD Valorem	
b) Spices in the form of curry powder, spice oils & oleoresins other mixtures where spice content is predominant	1% Ad Valorem	

loss of public sector banks for the years 1996-97, 1995-96 and 1994-95 are given below:

(Amt. in Rs. crores)

Year	Operating Profit	Net Profit
1996-97*	8909.02	3009.58
1995-96	7568.87	(-)371.36
1994-95	5628.33	1115.82

(-) indicates loss

- figures for 1996-97 are provisional.

Review of taxation burden on exports, including cess, is an ongoing process and as and when considered necessary, exemptions on specified items are notified with a view to make our agricultural exports more competitive in the international market.

Cess on export of pepper (except green pepper in brine), cardamom, saffron and spice oils and oleoresins has been exempted.

Profit earned by SBI/Nationalised Banks

1708. SHRI MADHAVRAO SCINDIA :

SHRI SATYAJITSINH DULIPSINH GAEKWAD:

Will the Minister of FINANCE be pleased to state:

(a) whether Nationalised Banks including the State Bank of India have earned considerably high profits during 1996-97;

(b) if so, the details thereof, indicating the corresponding figures of the preceding two years;

(c) how far the increase in profits is attributable to decrease in the rate of interest on depositors, money, including small-savings and term deposits; and

(d) the reasons for anti-depositors and anti-savings policies of the banks, aimed at serving the interests of the business and trade?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) As reported by Reserve Bank of India (RBI), the operating profit/net profit/

(c) and (d) According to Reserve Bank of India (RBI) the increase in the profit of public sector banks is not attributable to the decrease in the rate of interest on depositor's money including small savings and term-deposits but is on account of number of factors such as better fund management, reduction in provisions for NPAs, writing back of excess depreciation on investments due to lowering of YTM on approved securities, recovery of NPAs etc.

RBI have further reported that they have not conducted any specific study on the impact of lowering of deposits/lending rates on the profitability of banks.

Primary Capital Market

1709. SHRI SANAT MEHTA : Will the Minister of FINANCE be pleased to state :

(a) the total capital mobilised from Primary Capital Market by various types of issues and bonds during each of the last three years;

(b) the reasons for lower capital mobilisation; and

(c) the steps taken by the Government to boost the capital market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Based on the information furnished by the Securities and Exchange Board of India (SEBI) the total capital mobilised from primary market by various instruments during the last three years is given below :-

	1994-95		1995-96		1996-97	
	No.	Amount (Cr.)	No.	Amount (Cr.)	No.	Amount (Cr.)
1	2	3	4	5	6	7
Equity	1593	17969.90	1661	14684.88	843	7844.42
Par Premium	(942) (651)	(5529.09) (12440.81)	(1181) (480)	(4958.21) (9726.67)	(695) (148)	(3432.63) (4411.79)
CCPs	07	124.30	08	145.16	05	74.92

1	2	3	4	5	6	7
Pref. Sh.	03	32.90	00	0.00	00	0.00
FCDs	77	5412.84	32	993.68	17	258.55
PCDs	30	2356.25	15	2182.11	03	221.55
NCDs	22	1222.34	14	480.60	07	405.79
Bonds	00	0.00	06	2085.56	10	5400.00
Others	03	513.95	02	231.65	02	70.75
Total	1735	27632.48	1738	20803.64	887	14275.98

Note :

C.C.Ps-Cumulative Convertible Preference Shares

Pref. Sh- Preference Shares

F.C.Ds. - Fully Convertible Debentures

P.C.Ds- Partly Convertible Debentures

N.C.Ds- Non-Convertible Debentures.

(b) Primary market activity in terms of raising of capital by companies is influenced by performance of secondary market, performance of real sector, investment plans of companies etc.

(c) In order to encourage investment in the capital market, the following steps have been taken by Government.

- (1) Dividend in the hands of shareholders is now exempted from income tax;
- (2) To encourage investment, the limit of investment under section 88 of the Income Tax Act is increased from Rs. 60,000 to Rs. 70,000 where investment is made in approved debentures or equity shares of public companies engaged in the area of new infrastructure facility or in the power sector. Investments in mutual funds which, in turn, invest in the above debt instruments would also be eligible for the rebate.
- (3) Long term capital gains is exempted from tax if net consideration received or accruing from the transfer of the capital asset is invested in specified assets for three years or alternatively, if the entire capital gains are invested in specific assets for seven years.
- (4) Enactment of the Depository Legislation and setting up of the depository to start scripless trading in the secondary market; and
- (5) Reduction in the minimum application size to Rs. 2000 from Rs. 5000 to encourage small investors to subscribe to new issues.

MMTC Projects in Orissa

1710. SHRI K.P. SINGH DEO : Will the Minister of COMMERCE be pleased to state :

(a) whether Minerals and Metals Trading Corporation has any proposal to launch three major projects in Orissa;

(b) if so, the details of these projects;

(c) whether the Government propose to start those projects during the Ninth Plan; and

(d) if so, the location, the estimate cost and the employment generation potentiality of those projects;

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH) : (a) and (b) MMTC is the major promoter in Neelachal Ispat Nigam Limited which is setting up 1.1 million tonnes per annum steel wire rods, steel billets and pig iron plant at Kalinganagar in Jaipur District of Orissa. The other promoters participating in the project are Govt. of Orissa, MECON and some foreign investors. MMTC also propose to take up an equity for setting up a plant for manufacture of Blast Furnace grade metallurgical coke with an installed capacity of 8.82 lakh tonnes per annum at Kalinganagar, Jaipur District of Orissa in the same complex as NINL. The third major project for which feasibility studies were conducted by MMTC relates to conversion of present fair weather port at Gopalpur to deep draft all weather port. This project is now being pursued by the Government of Orissa and MMTC has no further role in it.

(c) Both NINL and KMCL project are scheduled to start production by 2000-2001.

(b) The details are as under :-

	NINL	KMCI
(i) Location	Kalinganagar	Kalinganagar
(ii) Capital outlay	Rs. 1510 crores	Rs. 480 crores
(iii) Employment generation potentiality	Around 1700	Around 350