

(a) whether the Government are aware that a large number of units in small scale sector do not get their dues in time from Public Sector Undertakings and private industries;

(b) if so, whether the problem of such small ancillary units have been studied in depth by the working group;

(c) if so the details of the main findings and recommendations of the working group on the subject matter; and

(d) the details of action plan/fresh initiatives finalised to protect the interests of small scale units in regard to timely payment of dues by PSUs and others?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Yes, Sir.

(c) The working Group on SSIs for the Ninth Five year Plan has observed that the existing law on delayed payments enacted in 1993 was not being invoked properly mainly on account of the reluctance of the small parties to invoke the provisions of this law. The Working Group felt that it would be necessary to provide teeth to the Legislation through certain well devised measures such as:

(i) All payments made beyond a fixed period of say 60/90 days should unfailingly attract mandatory interest of 5% over and above the prime lending rate of the bank.

(ii) The balance-sheet as well as Annual Report of the buyer company/department should necessarily bring out the details of the SSI bills remaining unpaid and the payments made with delay.

(iii) Notices issued for raising public issues/fixed deposit and those issued for raising money from the market through bonds should also reflect the above mentioned position.

(iv) All returns etc. filed with the Company Law Board (CLB) should also contain the aforesaid details as a matter of course so that anyone who wants to know the position of any company in this respect can easily do so by inspecting the documents filed in the CLB.

(v) State Small Industries Corporations and the National Small Industries Corporation which provide marketing assistance, should be enabled to sue the buyers on behalf of the SSI units.

(d) It is proposed to examine the matter in consultation with the concerned Ministries.

#### **Aerated Water**

2765. SHRI PRATAP SINGH SAINI:

DR. ARVIND SHARMA:

Will the Minister of FINANCE be pleased to state:

(a) the price elasticity of aerated waters in India;

(b) the impact on sales of aerated waters during the last three years following the introduction of excise duty on aerated waters in 1997-98; and

(c) the possible impact on the growth of the aerated water industry if the rate of excise duty is fixed at 40%, 20%, 10% and Nil?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Ministry of Finance have not conducted any study on price elasticity of aerated water.

(b) Excise duty on aerated waters was introduced during 1970-71. There was no change in the rate of excise duty applicable to aerated waters in 1997-98 budget. Hence, the question of impact of duty rate applicable in 1997-98 on last three years does not arise.

(c) The growth of an industry depends upon a number of factors and therefore, it may not be possible to indicate the growth of aerated water industry at different rates of excise duty.

[Translation]

#### **Satna Cement Factory**

2766. SHRI SUKH LAL KUSHWAHA: Will the Minister of FINANCE be pleased to state:

(a) whether Satna Cement Factory is not depositing the Income Tax in time;

(b) if so, the details thereof alongwith the date since when the income tax has not been deposited by it; and

(c) the action taken or proposed to be taken against the guilty officials?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) M/s. Satna Cement Works located at P.O. Birla Vikash, Satna, Madhya Pradesh is a unit of Birla Jute & Industries Limited (renamed from 31.3.97 as Birla Corporation) and assessed to Income-tax at Calcutta. According to information collected, the company has deposited its advance tax and self-assessment tax in time. Further, there is no arrear tax outstanding.

Does not arise in view of the information given in parts (a) and (b) above.

#### **Import of Silk**

2767. SHRI S.P. JAISWAL: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government are aware that due to strict rules and regulations in regard to Import of silk, it

is being illegally imported/smuggled in a large quantum from China into the country;

(b) if so, whether the Government are contemplating to make any amendments in import regulations of silk so that it can be made easily available to small industries and the Government can earn import duty; and

(c) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) Yes, Sir. The Government is aware that some quantity of raw silk is being smuggled into the country across the Bangladesh and Nepal borders.

(b) and (c) In the present policy of import-export silk has been continued in the restrictive list. Under the Duty Exemption Scheme the exporters are allowed to import duty free silk material for their use in export products. Besides, the Government of India have increased the input-output ratio of raw silk and dupion silk from 1.20:1 kg to 1.35:1 kg which will consequently increase the availability of silk to the exporters and small industries as well.

[English]

#### Lending System

2768. SHRI G.M. BANATWALLA: Will the Minister of FINANCE be pleased to state:

(a) the total lending by banks to the commercial sector during the past three fiscal years;

(b) the lending by banks to the commercial sector during the first quarter of the current fiscal year;

(c) whether it is a fact that bank credit applied for by the commercial sector shows a declining trend, and if so, the extent of the decline;

(d) the causes for the decline in bank lending to the commercial sector;

(e) whether the Government propose to consider fresh reduction in the bank lending rate to boost the credit offtake in the interest of the economy; and

(f) the measures, if any, proposed to be taken to increase bank lending at competitive rate and to avoid adverse impact?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Information is being collected and will be laid on the Table of the House.

(c) and (d) Credit offtake by the corporate sector has not been to the expected extent for a number of reasons including the availability of sources of fund cheaper than bank credit.

(e) and (f) Reserve Bank of India have reported that interest rates have shown a definite and perceptible decline since mid-April 1997 across all maturities and instruments including Dated Government securities, Treasury Bills, Certificates of Deposits and commercial papers. The prime lending rates of most banks have been reduced by one to one and a half percentage points. In April, 1997 Reserve Bank of India have taken several measures to ensure availability of adequate bank credit to support the growth of the real sector and to ensure that banks brought down the lending rates. Accordingly, the banks rate was reduced from 12.0 per cent per annum to 11.0 per cent annum and further to 10.0 per cent per annum with effect from the close of business on June 25, 1997. Measures were also taken by Reserve Bank of India to improve the credit delivery system and flow of resources to industry which include inter-alia withdrawal of stipulation of obligatory consortium system of credit to borrowers with credit limit of over Rs. 50 crore and freedom to banks to assess the working capital requirements of borrowers.

#### Export of Shrimps and Sea-Food

2769. SHRI L. RAMANA: Will the Minister of COMMERCE be pleased to state:

(a) whether many countries have rejected the consignments of shrimps and other sea-food items exported by India on the ground of being sub-standard;

(b) if so, the details thereof including the names of the countries, the value of consignments rejected and the items involved; and

(c) the steps taken by the Government to ensure quality of these products?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) Yes, Sir.

(b) The details of the names of the countries where consignments were rejected in the year 1997 along with the names of the plants with the particulars of the items and value are given in the attached Statement.

(c) (1) Quality standards in respect of fish and fishery products exported from India and the standards to be met by the processing units have been laid down in the export of fish, frozen and processed fish and fishery products (Quality Control, Inspection and Monitoring) order and Rules, 1995.

(2) Further steps taken in this direction are suspension of exports by three units of sea-food exporters, and intimation to DGFT for taking appropriate action against one unit exporting sea-food in accordance with relevant provisions of the Foreign Trade Development Regulation Act, 1992.