

Export of Value Added Products

2876. SHRI MAHENDRA SINGH BHATI: Will the Minister of COMMERCE be pleased to state:

- (a) whether there is a scope to boost export services and value added products from the country;
- (b) if so, the details thereof; and
- (c) the measures taken or proposed to be taken by the Govt. in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) and (b) The Government encourages export of all products/commodities including value-added products and services. There is an increasing emphasis on the export of value added products such as gems and jewellery, processed foods etc.

(c) Policy measures and incentives have been provided to encourage export of services and value-added products from the country. For instance, import of capital goods at concessional duty is allowed for services exports; tax exemption of part of profits is also available to the services exports. To encourage software service exports tax exemption of profits under 80 HHE/O provision of Income Tax is being provided. Under the EPZ scheme, DTA sales of software in any mode including data communication is permitted up to 25% of the production. Further export promotion schemes in the Exim Policy such as the EPZ/EQU scheme, the duty exemption scheme etc. carry stipulation regarding value addition which encourages export of value-added products from the country.

Export promotion including promotion of services exports is a continuous process and sustained efforts are being made by the Government in consultation with trade and industry.

Loan to States Under SSSs

2877. SHRI GIRDHARI LAL BHARGAVA: Will the Minister of FINANCE be pleased to state:

- (a) whether the Government of India provides loans to States out of collections of Small Savings and the loan amount in a year is 75% of the net collection in the year; and
- (b) what is the significance of the 75% amount and why it cannot be raised to 90% as the entire money is public money and States are not defaulting in repayment of loans?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI SATPAL MAHARAJ): (a) Yes Sir.

(b) The State Government are entitled to 75% of net collection under Small Savings Schemes as a 25 year loan carrying a 5 year moratorium period. Keeping in view the operational cost of collection as well as tax subsidy on these schemes, it is not feasible to increase the States' share to 90%.

[Translation]

Second Report of BIFR

2878. SHRI CHINTAMAN WANAGA:

SHRI ANANT GUDHE:

SHRI NARAYAN ATHAWALAY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received the Second Annual Report of the Board for Industrial and Financial Reconstruction;

(b) if so, the details thereof;

(c) the total number of companies declared sick and as per the report the total loss incurred by these companies, State-wise; and

(d) the details of the action proposed to be taken to deal with the problems of Industrial sickness effectively and the strategies worked out for different industries, particularly for Maharashtra?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) Yes, Sir.

(b) As per the annual report of the Board for Industrial and Financial Reconstruction (BIFR), 1853 references were registered with the Board upto 31.12.1996 which included 61 references from Central Public Sector Undertakings and 84 from State Public Sector undertakings. 593 rehabilitation schemes were sanctioned by BIFR out of which 162 schemes were implemented and those companies were discharged from the purview of BIFR as their networth become positive. 496 companies were recommended to be wound up. BIFR disposed of 275 references during the year 1996.

(c) Out of the 1853 references registered with the BIFR upto 31.12.1996, 406 references were dismissed as non-maintainable under the Sick Industrial Companies (Special Provisions) Act, (SICA) 1985 and the remaining 1447 companies were declared sick. The total accumulated losses as reported by these companies at the time of their registration with the BIFR was Rs.23793.34 crores. Statewise details are given in the attached statement.

(d) The sick industrial companies registered with the BIFR are dealt in accordance with the provisions of the SICA. Upto 31.12.1996, from the Maharashtra State 290 companies were registered with BIFR. Out of these rehabilitation schemes were sanctioned for 111 companies and 75 companies were recommended to be wound up. It may be added that Government has introduced a Bill in the Parliament named as Sick Industrial Companies (Special Provisions) Bill, 1997 to replace the existing SICA.