

It may be seen from the above details that the Credit Deposit Ratio of Banks in Orissa during the years 2004-05 and 2005-06 is more than the stipulated norm of 60 percent.

(c) The credit flow in any State depends upon various factors, including (i) availability of adequate infrastructure facilities, (ii) development of core sector projects, large and medium industries, entrepreneurial initiatives, (iii) credit absorption capacity of the State, (iv) conducive atmosphere for investment and (v) satisfactory recovery position of Banks' dues.

RBI has advised the Convenor Banks of State Level Bankers Committee (SLBC) to identify measures for enhancing the CDR. It is now being regularly monitored in the SLBC Meetings. RBI have also advised the Banks to set up Special Sub-Committees (SSCs) of the DLCCs in Districts having CDR of less than 40, in order to monitor the CDR and draw up Monitorable Action Plans (MAPs) to increase the CDR.

Rationalization of duty structure in Gujarat

2620. SHRI JAYANTILAL BAROT:

SHRI SURYAKANTBHAI ACHARYA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that excise duty fixed with the Maximum Retail Price (MRP) has affected the small scale industries in Gujarat;

(b) whether State Government of Gujarat has asked for rationalization of rates of duty structure;

(c) if so, Central Government's reaction in this regard; and

(d) the steps taken/proposed to be taken to protect the small scale industry of Gujarat which is adversely affected by this duty structure?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Chief Minister of Gujarat had requested the Government to:

(i) increase level of abatement from retail price on drugs and medicines from 40% to 50% for levy of excise duty; and

(ii) reduce excise duty on drugs from 16% to 8%.

(c) Taking into consideration all relevant factors, it has been decided not to make any changes either in the rate of excise duty or in the level of abatement from retail price on drugs.

(d) Small scale units are eligible for general Small Scale Industries. (SSI) exemption scheme wherein eligible units are fully exempted from excise duty upto clearances of Rs. 1 crore.

Revival of ship recycling industries

2621. SHRI VIJAYKUMAR RUPANI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that ship recycling industries in the country are passing through recession;

(b) if so, what are the steps Government propose to take for revival of the industries;

(c) whether any proposal has been received from the State Government of Gujarat to reduce the Customs duties on ships coming for breaking;

(d) if so, what is Government's decision therefor;

(e) whether ships coming for scrap are diverted to other neighbouring countries because of higher structure in India; and

(f) if so, whether there is any proposal to reduce the duties on imported ships?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) It has been represented to the Government that ship recycling industry in the country is passing through recession.

(b) Following steps have been taken by Government for revival of ship recycling industry:

(i) Ships imported for breaking have been exempted from the additional duty of 4% which is applicable to almost all items of imports.

(ii) 5% customs duty (earlier it was 0%) has been imposed on melting scrap bringing it at par with duty on import of ships.

In addition to the above, following steps are being taken by Government of Gujarat:

(i) In Alang/Sosiya ship recycling yards, where about 90% of the country's ship recycling activity takes places, the Gujarat Maritime Board (GMB) has developed adequate physical, social, health and environmental infrastructure and it has plans to develop more facilities like reception jetty and general berth which will help in safer and quick cutting of ships.