

**Excise Duty**

Sl. No.	Product	Basic Excise Duty Rs/Atr.	Special Excise Duty (%)	Additional Excise Duty (%)	Special Additional Excise Duty Rs./Ltr.	National Calamity Contingent Duty	Education Cess (%)
1	Crude Petroleum	Cess of Rs. 1800 PMT*				Rs. 50 PMT	2% of aggregate duties of Excise
2	Petrol	16	10	1.50	6.00	—	-do-
3	HSD	11	—	1.50	—	—	-do-
4	LDO	16+	—	—	—	—	-do-
		Rs. 1.50 Ltr.					
5	Kerosene	16	—	—	—	—	-do-
6	ATF	8	—	—	—	—	-do-
7	LPG	8	—	—	—	—	-do-
8	Others	16	—	—	—	-	-do-

\*Rs. 900 PMT in case of Production Sharing Contracts and Nil in case of exploration under New Exploration and licensing Policy (NELP)

**Conversion of IOBI into banking company**

1399. SHRI DHARAM PAL SABHARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government have converted Industrial Development Bank of India (IDBI) into a Banking Company;

(b) if so, the reasons therefor; and

(c) the names of the cities identified for opening 30 new branches of IDBI, StaU-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Industrial Development Bank (Transfer of Undertaking & Repeal) Act, 2003 provides for the transfer and vesting of the undertaking of the Industrial Development Bank of India to a company registered under the Companies Act, 1956. This company shall be deemed to be a banking company and as such, shall, in addition to the business which may be carried on and transacted by

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the Development Bank, carry on banking business. The company, however, is yet to be registered.

(b) if IDBI becomes a Banking Company under the Banking Regulation, Act, 1949 IDBI would be in a position to lower its cost of funds, raise adequate resources, have a diversified lending portfolio and earn more fee based income. With this, IDBI would be in a position to continue to provide project finance to the industry, which would otherwise become difficult due to problems in raising resources.

(c) The issue of opening of more branches will be considered by IDBI only after the conversion of IDBI into a banking company is effected consequent upon the formation of the company and its registration under the Companies Act, 1956.

### **Moratorium on Global Trust Bank**

1400. SHRI R.P. GOENKA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Global Trust Bank has been placed under a three month moratorium;

(b) if so, the details thereof and scheme drawn up, if any, to protect the interests of the depositors; and

(c) the details of the steps taken to review the regulation and reporting norms to make the banking system more transparent as also to check erosion of confidence in the rest of the private banking industry?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. Global Trust bank was placed under moratorium on 24th July, 2004 by Government on the recommendation of Reserve Bank of India for a period of three months. However, a scheme of amalgamation of Global Trust bank with Oriental Bank of Commerce has been notified on 13th August, 2004 lifting the moratorium.

(b) The details of the scheme are given in the Statement (See below)

(c) In order to avoid recurrence of such failures and to protect banking in private sector, RBI has taken several steps which *inter-alia* include introduction of off-site monitoring system and strengthening of the supervisory framework/Risk Based Supervision for banks, introduction