

such exceptions and limitations as may be made from time to time.

India's trade with Afghanistan is conducted in accordance with Indo-Afghan Trade Agreement signed in September, 1975 valid for three years. The trade with Afghanistan is conducted on a modified barter system of counter balancing imports by one country by equal value exports to the other, of goods specified in the Schedules attached to the Agreement. The accounts are maintained by the State Bank of India in Indian Rupees. Export/Imports by one country to the other of goods specified in these Schedules are payable in convertible currency.

India had been having bilateral trade plans with Egypt and Sudan for several years. These provided for trade in terms of Rupees in the case of Egypt in respect of certain commodities and £sterling in the case of Sudan. With effect from 1-1-77 trade with Sudan has changed over into free foreign exchange. In the case of Egypt also it has been agreed in principle that the trade will change over from Rupee to foreign exchange with effect from 1-1-77. Discussions are however to be held between the two countries shortly. Trade over and above the levels of the trade plans was carried on, on the basis free foreign exchange.

Export Processing Zone at Cochin

1709. SHRI VAYALAR RAVI: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether Government have taken a final decision regarding the setting up of an export processing zone at Cochin; and

(b) if so, the facts thereof and progress made so far in this regard?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): (a) and (b). The proposal

for establishment of a free trade zone at Cochin was received in August, 1975. The general policy about free trade zones was considered by the Government in May, 1976 and it was decided that the establishment of new free trade zone/export processing zones should not be encouraged. The State Government in Kerala was informed about this decision in December, 1976. No proposal for revision of this general decision is presently under consideration.

Development of Ponmudi (Kerala) as a Tourist Centre

1710. SHRI VAYALAR RAVI: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government have taken a final decision regarding the development of Ponmudi in Trivandrum District of Kerala as a tourist centre;

(b) if so, the broad outlines thereof; and

(c) if not, the reasons for delay in taking a final decision in the matter?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): (a) There has been no proposal under consideration in the Central Sector for the development of Ponmudi in Trivandrum District of Kerala as a tourist centre.

(b) and (c). Do not arise.

Supreme Court's Judgement on Publication activities of Charitable Trusts

1711. SHRI R. K. MHALGI: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether in view of the Supreme Court Judgement (I.T. Report Vol. No. 101 case of Lok Shikshan Trust) all publication activities of charitable Trusts are taken as business activities and the exemption under Section 80G

of Income-tax Act is now tentamount to be withdrawn whereby great hardships are caused to said trusts;

(b) whether Government have received any representation during a period of last two years in that regard; and

(c) what action Government have taken in the matter?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) The Supreme Court in the case of the sole Trustee Lok Shikshnan Trust Vs. Commissioner of Income-tax (101 ITR page 234) has laid down that in order to qualify for exemption from income-tax, a charitable trust with an object of general public utility, must not carry on an activity for profit. What constitutes an activity for profit is a matter to be examined with reference to the facts of each case. If the publication activity is carried on by such a trust with the object of making profit it is not entitled to exemption under section 11 of the Income-tax Act, 1961. In such a case deduction under section 80-G will not be available to the donors to the Trust.

(b) The Government have received representations in this regard.

(c) The matter is under consideration.

Import of Raw Cashewnuts

1712. SHRI RAMACHANDRAN KADANNAPALLI: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) how many employees are working in cashew industry in Kerala;

(b) whether raw cashewnuts are being imported from African countries; and

(c) if so, which are the other countries from where we are importing raw cashewnuts?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): (a) The accepted labour strength in the factories in Kerala, which are eligible for allotment of imported raw cashewnuts by the Cashew Corporation of India is 1,20,039. In respect of the non-eligible factories, no authentic information about the labour strength is available, but it is estimated at about 22,392. Thus the total number of employees working in Cashew Processing Industry in Kerala is placed at 1,42,431 approximately.

(b) and (c). The raw cashewnuts are imported by the Cashew Corporation of India, principally from the East African countries of Tanzania, Mozambique and Kenya; small quantities are being imported from Senegal, Dahomey, Guinea and Madagascar also.

Closure of Textile Mills in Kerala

1713. SHRI RAMACHANDRAN KADANNAPALLI: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) how many textile mills in Kerala were closed during 1975-76;

(b) what is the total loss estimated therefor; and

(c) the steps taken to reopen those mills?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): (a) and (b). There are four cotton textile mills in Kerala which closed during calendar years 1975 and 1976 and continue to remain closed. The loss is equal to the production of 65,008 Spindles and 100 looms which have been rendered idle.

(c) One of the 4 closed mills is under the management of Kerala Government which is taking necessary action