

wing objectives. These are (i) to provide essential inputs for strengthening the production base, and enabling fuller utilisation of available capacities, (ii) to further reduce dependence on imports, (iii) to provide greater impetus to exports, and (iv) to further simplify and streamline procedures.

**Special Board for considering applications for setting up 100 per cent export-oriented units**

7189. SHRI KAMAL NATH: Will the Minister of COMMERCE be pleased to state:

(a) whether a Special Board has been constituted to consider applications for setting up 100 per cent exports oriented units anywhere in the country, save the free trade zones etc.;

(b) if so, the number of applications that have been received in this context so far from the new entrepreneurs; and

(c) whether some extra concessions are also promised to be provided to such units by way of quick processing of applications for raw materials of subsidies or concessional supply of power etc.?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KHURSHED ALAM KHAN): (a) Yes, Sir. A Board under the Chairmanship of Commerce Secretary has been set up in terms of Dept. of Industrial Development Notification No. 10/35/80-LP dated the 13th January 1981.

(b) 45 applications have been registered under the scheme so far.

(c) The concessions available to the units which are approved under the Scheme have been indicated in the Government Resolution dated 31-12-1980 a copy of which has already been laid on the Table of the House in reply to Lok Sabha Starred Question

No. 79 on 20th February 1981. In addition, Government have decided in principle that supplies made from the Domestic Tariff Area to 100 per cent export oriented units may be treated as deemed exports. The details of the benefits that may be made available by way of import replenishment and cash support in such cases as also the procedure to be adopted are being worked out.

**Sales Tax on Eatables and Drinks served in Hotels**

7190. SHRI ATAL BIHARI VAJPAYEE:  
SHRI R. K. MHALGI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to Andhra Pradesh High Court's Judgement on 19th September, 1980 that Sales-tax on eatables and drinks served in hotels etc., was illegal; and

(b) whether in this background instructions have been issued to railways and other catering departments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA): (a) and (b) Levy of tax on sales or purchases taking place within a State is a State subject of taxation under Entry 54 in List II of the Seventh Schedule to the Constitution. The administration of Central Sales Tax Act, 1956 has also been entrusted by law to the State authorities. A copy of the judgment of 19th September, 1980 has been obtained from the Government of Andhra Pradesh. The Government of Andhra Pradesh have reported that they have decided to take the matter in appeal to the Supreme Court and the High Court has also granted the State leave to prefer appeal to the Supreme Court against its judgment. Necessary further action is being taken by the Government of Andhra Pradesh.