

firms as these had constructional defects which could cause electrocution; and

(b) if so, what steps have been taken by Government to identify the exporters of these defective electrical plugs and to take suitable action against them besides ensuring that such dangerous lapses which bring discredit to the country do not recur in future?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) and (b). The Government of U.K. have not issued any warning to consumers not to use electrical plugs exported from India. However, preliminary laboratory tests conducted in the U.K. on certain plugs exported by an Indian exporter have raised certain doubts whether these plugs meet fully the British standards in all respects. This test report has been sent recently for re-verification to another laboratory. The Indian firm, in the present case, are established exporters of electrical accessories for a number of years and no complaints from overseas buyers have previously come to the notice of Government.

Joint Venture in China for Mopeds and Scooters with Indian Capital and know-how

404. **SHRI BHIKU RAM JAIN:** Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the Chinese have shown interest in setting up a joint venture in China for the manufacture of mopeds and scooters with Indian Capital and know-how;

(b) whether any details have been worked out in this regard; and

(c) if so, the names participating Indian companies and other details?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) to (c). A three member delegation from India-China Chamber of Commerce and Industry visited China from 24th May to 2nd June, 1982. One of the members of the delegation proposed a joint venture for manufacture of mopeds/scooters and China for which complete technology parts, engineers and technicians may

be supplied by India, and China may provide land, manpower and other facilities.

The Chinese delegation invited the Indian team to formulate and submit a detailed project for their consideration.

No proposal has been so far received for approval in the Department of Commerce to enter into such a joint venture.

Abolition of Octroi

405. **SHRI A. T. PATIL:** Will the Minister of FINANCE be pleased to state:

(a) the progress of deliberations over, and negotiations with States for abolition of "Octroi";

(b) when are Government likely to take a decision; and

(c) whether as an interim or experimental step, it is proposed to abolish "Octroi" in Bombay and other major cities, if so, when and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) to (c). The question of abolition of Octroi was considered in the conference of the Chief Ministers on the 16th and 17th September, 1980. The Union Finance Minister's suggestion that octroi should be abolished in phases and, as a first step, it should be given up in respect of places having a population of less than two lakhs was, by and large, favourably received by the Chief Ministers. Following State Governments have intimated the action taken by them regarding phased abolition of octroi.

(a) The Government of Himachal Pradesh has decided to abolish octroi in the State from 1st April, 1982.

(b) The Government of Gujarat has accepted in principle abolition of octroi and introduction of Entry Tax in its place. That Government has since intimated that the various aspects of the proposed Entry Tax legislation are being considered by the State Government in the light of the experience gained from implementation of the Entry Tax Acts in Karnataka and Madhya Pradesh. The legislation is proposed to be finalised after discussions, with the repre-

sentatives of trade, commerce, industry and local bodies.

(c) The Government of Maharashtra has decided to abolish octroi but the decision has not been implemented owing to difficulty of raising alternative resources. The State Government has constituted a Committee of Experts to review the existing taxation structure—both State and local—with a view to suggesting changes therein for mobilising additional resources. The Committee is expected to make specific recommendations for raising resources for replacement of octroi. The Committee's report is awaited by the State Government. No interim or experimental step is proposed to be taken.

(d) The Government of Punjab has constituted a High Power Committee to study the matter of abolition of octroi in the State and to find out the ways and means for its replacement.

(e) The Government of Haryana has not taken any view on the abolition of octroi. It is however considering the question of abolition of octroi on a selective basis on certain items.

(f) The Governments of Orissa, Rajasthan and Uttar Pradesh are examining the matter regarding abolition of octroi.

(g) The Government of Manipur has stated that, in view of the constraint of resources, it is not possible to abolish octroi unless the Central Government gives adequate compensation.

(h) The Government of West Bengal has stated that octroi in the State is confined only to the Calcutta Metropolitan area. It has further stated that the State Government is unable to abolish octroi unless alternative sources of income, which will fully compensate to the loss with assured buoyancy, can be suggested because the State Government's own resources, raising-powers do not present any scope for such an alternative. Calcutta, however, does not fall in the first phase which envisages abolition of octroi in respect of places having a population of less than two lakhs.

(1) The Government of Jammu and Kashmir is holding consultations with its local bodies on the abolition of octroi.

(2) There is no octroi in other States.

(3) In the Union Territories, Octroi is levied in Goa, Daman and Diu and Pondicherry. In Delhi, Terminal tax on goods carried by railways and roads is levied. The question of abolition of octroi in Goa, Daman and Diu and Pondicherry is being examined by these Union Territory Administrations. Delhi does not fall in the first phase which envisages abolition of octroi in respect of places having a population of less than two lakhs. The above reply is based on the material furnished by the State Governments so far.

China refusing to pay for tobacco purchased from India

406. SHRI P. RAJAGOPAL NAIDU: Will the Minister of COMMRCE be pleased to state :

(a) whether it is a fact that China is refusing to pay the amount for the tobacco purchased from our country unless it checks it in their country;

(b) whether our Government have insisted that Government of China have to pay the amount for the tobacco purchased after checking it in our country itself; and

(c) whether our Government have also insisted on China to open L.C. for the tobacco purchase in our country?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) to (c). There were representations recently from exporters of tobacco to China for permitting exports under documents against payment terms as against the normal pattern of exports against letter of credit for 100 per cent value of tobacco and production of Agmark certificate before shipment. It was agreed to allow relaxation of the letter of credit condition and to allow exports on documents against payment terms subject to the parties giving un-equivocal undertaking to realise the proceeds from the foreign buyer within 60 days from the date of shipment.