

(b) Necessary amendment to the description of 'Hessian' exports for purposes of Cash Compensatory Support has been made. This is applicable to exports made on or after the 1st October, 1982.

Cumbersome Procedures Of Exports Credit And Guarantee Corporation

7469. SHRI N. E. HORO : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that the cumbersome and time-consuming procedure of Government of India's Export Credit and Guarantee Corporation and the unhelpful attitude of both the banks and general insurance companies have made it difficult for many export-oriented units of the Country to stay out in the trade; and

(b) if so, the details in this regard and the plea of the exporters to Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRIMATI RAM DULARI SINHA) : (a) and (b) No, Sir. However, specific suggestions about procedures relating to Export Credit and Guarantee Corporation Ltd., banks and insurance Companies, are looked into by the Government and necessary action, as merited, is taken.

Loan Sought By Public Undertakings From Foreign Banks

7470. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) what are the details regarding the names of the public sector undertakings which have sought loans from foreign banks along with the terms and conditions and the reasons therefor; and

(b) the details regarding the amount of loans and the procedure generally adopted in such matters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PATTABHI RAMA RAO) : (a) and (b) The information is being collected and will be laid on the Table of the House as soon as possible,

Addition In Fleet Of Vayudoot Service

7471. SHRI NAVIN RAVANI : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) the details of the planes in the fleet of Vayudoot Service; and

(b) what is the proposal for adding more planes in Vayudoot Service during the year 1983-84?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI KHURSHEED ALAM KHAN) : (a) Vayudoot operates their services with two F-27 and two HS-748 aircraft taken on lease from Indian Airlines.

(b) Proposals will be formulated after the recommendations of the Committee on Light Transport Aircraft appointed by the Government have been received and studied.

Abolition Of Octroi Duty

7472. SHRI NAVIN RAVANI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that certain States have not abolished the octroi duty;

(b) if so, the names of such States and the reasons thereof; and

(c) what steps the Central Government are taking to abolish the octroi duty throughout the country.

THE MINISTRY OF FINANCE
(SHRI PRANAB MUKHERJEE) : (a)
Yes, Sir

(b) A statement is laid on the Table of the House.

(c) The Government of India favours abolition of octroi duty. In view of its importance, the matter was discussed in the Chief Ministers' Conference convened by the Union Finance Minister in September 1980. The Union Finance Minister stated in this meeting that abolition of octroi was in the interest of States and should be removed in progressive stages. He suggested that as a first step, octroi should be given up in respect of places having a population of less than two lakh. He stated that loss in revenue could be met in some way or the other. The Union Finance Minister's suggestion was, by and large, favourably received by the Chief Ministers. State Government have also been addressed in the matter by the Ministry of Finance impressing upon them the need for phased abolition of octroi

Statement

(i) 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 the implementation of the Entry Tax Acts in Karnataka and Madhya Pradesh. The legislation is proposed to be finalised after discussions with the representatives of trade, commerce, industry and local bodies.

(ii) The Government of Haryana has constituted a sub-committee on Municipal resources. This Committee has gone into the matter and given its report to the State Government. The decision of the State Government is awaited.

(iii) The Government of Jammu & Kashmir after holding consultations with its local bodies on the abolition of octroi has reported that abolition of octroi will have far reaching implications upon

the State's financial position and that it is not possible for the State Government to compensate these bodies for the loss in revenues, it is, therefore, not possible to abolish octroi for the time being.

(iv) 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.

(v) 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.

(vi) The Government of Orissa, Rajasthan are examining the matter regarding abolition of octroi.

(vii) 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.

(viii) The Government of Uttar Pradesh has stated that octroi duty has been abolished in all the town areas and the Notified Area Committee of the State since 1.5.1979. There are 8 Municipal Corporations and 184 Municipal Committees in which octroi is levied. About Rs. 40 crores per annum accrues to the Local Bodies and 10,000 employees are engaged in this activity. The State Government feel that it will not be proper from their point of view to agree to the proposal for abolition of octroi in the State until some alternative source of revenue to these local bodies is ensured.

(ix) The Government of West Bengal has stated that octroi in the State is con-

fined only to the Calcutta Metropolitan area. It has further stated that the State Government is unable to abolish octroi unless alternative source of income, which will fully compensate 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 envisaged abolition of octroi in respect of places having a population of less than two lakhs.

Loan From U.S.A.

7473. SHRI ARJUN SETHI :
SHRI BABURAO PARANJPE :

Will the Minister of FINANCE be pleased to state :

(a) the amount of loans so far our Government has taken from the United States of America during the last five years ;

(b) the amounts of loans so far paid back ;

(c) whether the whole amounts of

loans have been utilised and if not, how much is yet to be utilised ; and

(d) the terms and conditions of the loans and whether the terms of USA are easier than those of the Soviet Union and other foreign countries ?

THE MINISTER OF FINANCE
(SHRI PRANAB MUKHERJEE) : (a) During the last five US Fiscal Years 1978 to 1982 (October, 1977 to September, 1982), Government have taken loans aggregating to \$ 399.60 million from the United States of America.

(b) No repayments have fallen due in respect of the above loans.

(c) As on 31.3.1983, loans amounting to \$ 209.08 million have been utilised ; the balance outstanding is \$ 190.52 million.

(d) The table below indicates the terms and conditions of the loans from U.S.A. as also from the Soviet Union and other foreign countries ;

Terms and Conditions of Foreign Loans Extended to India

Sl. No.	Country	Rate of interest per annum	Grace period	Total repayment period including grace period
1	2	3	4	5
1.	U.S.A.	2% for the first 10 years ; 3% thereafter	10 years	40 years
2.	U.S.S.R.	2.5%	3 years	20 years
3.	Austria	2%	10 years	30 years
4.	Belgium	Interest free	10 years	30 years
5.	Canada	NIL	10 years	50 years
6.	Denmark	Interest free	10 years	35 years
7.	France	3% *	10 years NIL	28 years 10 years
	(i) Govt. to Govt.			
	(ii) Non-Govt.			