

which include removal of licencing constraints on export production, setting up of 100% export-oriented units on easier access to imported inputs, upgradation of technology, particularly for export production, extension of certain fiscal concessions on exports and setting up of 4 more Free Trade Zones at Cochin Madras, NOIDA and FALTA in addition to the existing two Free Trade Zones. The Import and Export Policy for the current financial year 1984-85 has been formulated to improve our export performance, keeping in view the global economic environment and the needs of the domestic economy. The important features of the Policy include encouragement to higher value addition in exports, exports of computer software, exports of new products or to new markets, import for technological development in priority sectors like export production establishment of stable long-term relationship between trading houses and their supporting manufacturers and assisting the Small Scale Sector in export production.

**Payment of Interest on Amount Due on
Warehoused Goods**

4674. SHRI UTTAM RATHOD : Will the Minister of FINANCE be pleased to state :

(a) whether section (61) of Customs Act 62 has since been amended to provide payment of interest @ 18 per cent p.a. on the amount of duty on the warehoused goods remaining in warehouse beyond normal admissible period ; and

(b) if so, whether Government are considering exemption from operation of above amendment in the case of 100 per cent EOU which are required to carry out manufacturing in warehouse for a period of ten years minimum ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.M. KRISHNA) : (a) Yes Sir, [Section 61 of Customs Act, 1962 was amended by Finance Act, 1983, providing for levy of interest at such rate, not exceeding eighteen per cent per annum, on

on the amount of duty on the warehoused goods remaining in warehouse beyond normal warehousing period. However, the Government has fixed the said rate of interest at twelve per cent per annum, through a notification.

(b) In the case of the 100% Export-Oriented Units, exemption from payment of interest on duty on the goods retained beyond the normal warehousing period, can be considered on the merits of each such case.

Equipping the Indian Air Force with Suitable Light Combat Aircraft (LCA)

4675. SHRI MOHAMMAD ASRAR AHMAD : Will the Minister of DEFENCE be pleased to state :

(a) the efforts being made to equip the Indian Air Force with a suitable light combat aircraft (LCA) ;

(b) whether any particular aircraft has been selected for the purpose ; and

(c) if so, whether such aircraft will be manufactured indigenously or is expected to be procured indigenously ?

THE MINISTER OF DEFENCE (SHRI S.B. CHAVAN) : (a) A programme for design and development of a Light Combat Aircraft to meet the needs of Indian Air Force has been taken up.

(b) and (c) No, Sir. Light Combat Aircraft (LCA) will be an indigenously developed and productionised aircraft.

Credit Facility to Directors and their Relatives without Approval of Board of Directors

4676. SHRI GHUFRAN AZAM : Will the Minister of FINANCE be pleased to state :

(a) whether all banks have authority to extend credit facility below