

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

Rupee 5 lakhs to their directors and their relatives without prior approval of the Board of Directors ;

(b) whether the Reserve Bank of India have issued directive containing guideline for grant of loans or advances to directors of Bank and their relatives, and if so, the details thereof ; and

(c) the details of directors of nationalised banks and their relatives who have been sanctioned credit by the banks during the last three years, seperately and for each ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (a) and (b) : According to Reserve Bank of India, in terms of provisions of section 20 of the Banking Regulation Act, 1949, no banking company shall enter into any commitment for granting loan or advance to or on behalf of any of its directors or any firm or company in which any of its directors is interested as partner, manager, employee or guarantor. Reserve Bank of India have issued guidelines on April 12, 1984 to all public sector and private sector Indian scheduled commercial banks (other than Regional Rural Banks) in this regard, a copy of which is laid on the Table of the House, [Placed in Library See No LT-8707/84].

(c) In terms of section 13 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and 1980 and in accordance with the practices and usages customary among bankers, information relating to individual constituents of banks cannot be divulged.

Uk's Offer to Bilateral Aid

4677. **SHRI HARIHAR SOREN** : Will the Minister of FINANCE be pleased to state :

(a) whether United Kingdom has expressed the desire to spend Rs. 186 crores in India under its bilateral aid programme in 1984-85 ;

(b) whether United Kingdom had also spent some amount under its bilateral aid programme in 1983-84 ;

(c) if so, the amount, the purpose and the programme in which the British aid has been utilised ; and

(d) the details there of ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) Yes Sir UK Government has pledged Pond 124 million (about Rs. 186 crores) in the Aid India Consortium meeting held in June 1984, for 1984-85.

(b) During 1983-84, the total UK grant spending in India was Pond 95.3 million (about Rs. 143 crores).

(c) and (d) The UK, grant is utilised for import of goods and services from UK for financing the local costs of the mutually agreed projects and also for financing cost of British experts and training fellowships under the Colombo Plan. The details of the UK Grant utilisation are given in attached statement.

Statement

Spending in 1983-84
(Pond Millon)

1. Import of Capital and other items from U.K.	
(a) Mixed Projects	11.1
(b) Power Sector	5.1
(c) Coal Sector	11.5
(d) Rihand STPS	2.8
(e) Railway Sector	1.0
(f) Oil & Natural Gas Sector	1.3
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	32.8
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2. Technical Cooperation	12.0
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