

### Excise on Defence Equipment

2716. SHRI P.R. KYNDIAH : Will the Minister of FINANCE be pleased to state :

(a) whether the indigenous production of Defence equipment components/ancillaries are levied 25% Excise Duty under Chapter 93 of the Excise Tariff and also subject to CST @ 4%;

(b) if so, whether import of these items is permitted at Nil custom duty and exempted from payment of additional countervailing duty;

(c) whether the Government propose to provide to indigenous defence components manufacturers with a level-playing fields and also accord 'Deemed Export' status to those units engaged in production of import substitute; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Military weapons, other than revolvers, pistols and arms, namely, swords, cutlasses, bayonets, lances and similar arms bear 'NIL' rate of excise duty. All other arms and ammunitions and parts and accessories thereof attract a tariff rate of excise duty of 24% and valorem. However, all arms and ammunitions and parts and accessories thereof manufactured by ordnance factories and specified public sector units and supplied for defence use are exempt from excise duty vide. Notification No. 62/95-CE and 63/95-CE, both dated 16.3.95. C.S.T. will be attracted only when there is an interstate trade or commerce and the maximum rate of CST is 4% ad valorem.

(b) Arms, ammunitions and military stores when imported for defence use are exempt from import duty including countervailing duty, subject to certain conditions.

(c) and (d) There is no proposal under consideration at present for according 'Deemed Export' status to units engaged in production of defence components.

### Posting in Foreign Countries

2717. SHRI RAMDAS ATHAWALE : Will the Minister of FINANCE be pleased to state :

(a) the foreign countries in which group 'A' officers of Customs and Central Excise are posted;

(b) the number out of them belong to SCs/STs; and

(c) the plan of action to fill up the fixed quota of SCs/STs in foreign postings?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (c) Some posts in the Indian Missions of certain countries are manned by the officers of Indian Customs and Central Excise Group 'A' Service for performance of specialised functions of a sensitive nature. No reservation for SC/ST category officers is applicable in the matter of posting against these posts.

### Garments Export to EU

2718. SHRI C.P. RADHAKRISHNAN : Will the Minister of TEXTILE be pleased to state :

(a) the details of the current quota system of garments export to EU (European Union) in 1998, country-wise;

(b) whether the Government have formulated any new scheme on Garment Export Quota System; and

(c) if so, the details thereof and the time by which it is likely to be implemented?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) to (c) As per the Garments Export Entitlement Policy (1997-1999), the annual levels of garment products for export to the E.U., the U.S.A. and Canada are distributed in the following systems;

System	% of annual level
Past Performance Entitlement	75
(Out of which High Value Entitlement)	(5)
New Investor's Entitlement	10
First Come First Served Entitlement	10
Non-Quota Exporter's Entitlement	5

The Apparel Export Promotion Council (AEPC) introduced the Electronic Transfer Scheme (ETS) for transfer of quotas with the help of an on line computer network w.e.f. 8th September, 1998. However, there were complaints during January, 1999 that exporters who had immediate shipments were facing some difficulties because the ETS procedures led to delay in transfers, especially in categories where sufficient quantities were not offered at prices that the transferee considered to be reasonable. To avoid any problem arising from any such delay, AEPC has recently announced relaxation in the Electronic Transfer Scheme ETS permitting mutual transfers without any restrictions for a period of 60 days from 8-2-1999 to 8-4-1999.