

and administrative aspects of the matter. At the concluding session, the Conference adopted the following Resolution:

(a) Sales-tax on life saving drugs listed as such by the Hathi Committee and Vanaspati be replaced by additional excise duties and suitable modalities worked out with a view to safeguarding the legitimate revenue interests, present and future, of the States;

(b) a panel of Chief Ministers be set up to formulate proposals for (i) additions to the list of goods to which the scheme of additional excise duties in lieu of sales tax be extended, and (ii) additions to the list of declared goods'

(c) the Law Commission be requested to undertake on a high priority basis the drafting of a model sales tax law for consideration by the States; and

(d) the Central Government should consider introduction of a Constitutional (Amendment) Bill on the lines of the Constitution (49th Amendment) Bill at an early date.

However, the Chief Ministers of Kerala, Tamil Nadu, Tripura and West Bengal dissented from parts (a), (b) and (c) of the Resolution.

2. As part of the follow-up action on the recommendations of the above Conference, another Conference of Chief Ministers, including the members of the panel set up in terms of part (b) of the aforesaid Resolution was, convened at New Delhi on 15-2-1981 to consider inter-alia a proposal for inclusion in the list of declared goods and for the levy of additional excise duty in lieu of sales tax on vanaspati, drugs and medicines cement, paper and paper-board and petroleum products. Some Chief Ministers were opposed to the proposal as, in their opinion, it would affect the revenues of the States and place restrictions on the powers of the State

Governments to levy tax. Further, the Government of West Bengal expressed their dissent as the State Government had filed a suit against the Union of India challenging, among other things, Additional Duties of Excise (Goods of Special Importance) Act, 1957 and the matter was still pending in the Supreme Court. The Conference, taking note of the Union Finance Minister's assurance that the proposed scheme would be so devised and administered as to safeguard the present and future interests of revenue of the States from these commodities, adopted the following resolution:

(i) that an Expert Committee headed by an eminent person qualified to be the Chairman of Finance Commission and with an economist and an administrator as members be constituted to study the financial implications of the aforesaid proposal and the manner in which the financial interests of the States can be safeguarded;

(ii) that the Expert Committee which will be appointed by the Union Government may, for the purpose of its work, call for such information as may be necessary from the Central and State Governments and submit its report within a period of three months;

(iii) that the report of the Committee be placed before a Conference of Chief Ministers to be called for this purpose for appropriate consideration;

The States of West Bengal, Kerala and Jammu and Kashmir have not, on principle, agreed with this Resolution.

3. Follow-up action is being taken on the Resolutions adopted by the two Conferences of Chief Ministers for reform of the sales tax structure.

Modernisation of Durgapur Steel Plant

*369. SHRI NIREN GHOSH: Will the Minister of STEEL AND MINES be pleased to lay a statement showing:

(a) whether British steel experts have suggested plans for the modernisation of Durgapur Steel Plant;

(b) if so, what are the details of the report submitted;

(c) whether these suggestions have been considered; and

(d) when will these suggestions be implemented?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) The principal aims of the study conducted by the British Steel Corporation (Overseas Services) (BSC—OS) were:

(i) an assessment of current operations and condition of the existing plant and making recommendations for short-term improvements, including changes in operating practices and minor plant modifications; and

(ii) technical and economic evaluation of capital development options for the modernisation and enhancement of DSP to meet medium and long-term objectives.

In their study, the capacity of the steel melting shop at DSP in its present condition has been assessed at 1.15 million tonnes per year of rollable ingots. This has been identified as the base case level of output. In the opinion of BSC (OS), some reconditioning and replacement of existing equipment will be necessary within the next few years even to sustain the base case level output.

The alternative options for increasing the output of DSP have been identified as follows:—

(i) refurbishing and enhancement of the plant to maximise production potential, but without installing any new main process plant.

This is referred to as the Enhanced Base Case; and

(ii) modernisation and expansion of production capacity by the addition of new main process plant to balance the overall flowsheet. This is referred to as the developed case.

The ultimate achievable capacity under the Enhanced Base Case and the Developed Case has been assessed by BSC(OS) as 1.44 MT of rollable ingots per year and 2 MT of liquid steel per year, respectively.

The final stage of development is proposed to be achieved in two phases. The liquid steel production and investment in the first phase have been estimated at 1.56 MT and Rs. 596.2 crores respectively. The final capacity of 2.0 MT will result in the second phase with an additional investment of Rs. 491.1 crores. The phasing has essentially been contemplated with a view to spreading the expenditure and, techno-economically, the first phase cannot be adopted as an independent option.

(c) and (d). SAIL is currently engaged in an in-depth examination of the report.

Marine Products Industry

370. SHRI MANMOHAN TUDU: Will the Minister of COMMERCE be pleased to state whether Government have a proposal for putting the marine products industry on a stable footing during 1981-82?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KHURSHED ALAM KHAN): Yes, Sir. Besides the various schemes which are being implemented by the Marine Products Export Development Authority for development of our marine products exports, Government have recently taken measures