

MR. SPEAKER: Mr. Minister, it is better if these statements are laid on the Table. The Members will read it.

SHRI G. M. BANATWALLA: It has been admitted by the hon. Minister that compensation is given for the loss due to the abolition of Class I Grade of Section Officers. In other words, in the case of Section Officers, two advance increments are given though the reason is that it is a compensation for the loss due to the abolition of Class I Grade Officers. Now in the case of Group 'B' IT Officers, we are told that these advance increments cannot be given. The reason given is that there are not sufficient vacancies available in Grade I. Whatever the reason may be, whether it is insufficient number of vacancies or the abolition of Class I Grade, the consequences on the officers remain the same. Therefore, there should not be a mere tinkering of words. I, therefore, put this specific question to the Government. In view of the consequences remaining the same, will the case of Group 'B' IT Officers be considered for two advance increments as a compensation on the same principle.

SHRI ZULFIQUARULLAH: This can be treated as a suggestion, which may be considered by the Government. Under the Rules, we are not able to give these increments to these Officers.

SHRI G. M. BANATWALLA: I am thankful to the Minister because he has said that it is a suggestion. He has also said that under the Rules it cannot be given. May I know whether he will assure the House that in order to do away with the anomaly, the rules will be amended in order to see that justice is done? This is especially in view of the fact that 293 Group 'B' IT Officers are affected. Their case should not be brushed aside because it has a similarity.

MR. SPEAKER: Your suggestion is that the rule should be reconsidered.

SHRI ZULFIQUARULLAH: The Government will keep this suggestion in view while amending the rules.

DR. BIJOY MONDAL: You can very well understand the reasons for the stagnation. There are no avenues. In view of all these, will the Minister consider their case and find out some other means to give them compensation for their stagnation.

MR. SPEAKER: Same question.

#### Classification of Export Items

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\*995 SHRI M. V CHANDRA-SHEKHARA MURTHY:  
SHRI A. R. BADR'NARAYAN:

Will the Minister of COMMERCE CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether Government's attention has been drawn to the press report in *Economic Times* dated the 4th April, 1979 under the heading "wrong export item classification—big loss to exporter";

(b) if so, the facts thereof; and

(c) whether the wrong classification by one Government agency has come to clash with classification by another Government agency which is levying excise on the same item?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BAIG): (a) to (c). A statement is laid on the Table of the House.

#### Statement

(a) Yes, Sir.

(b) One of the Port Licensing Authorities under the Chief Controller of Imports & Exports, who are concerned with the grant of export benefits, considered the question of classification of Red Oxide Metal Primer.

It was decided that the item would not qualify for export assistance. Later on the Chemicals & Allied Products Export Promotion Council represented for classification of Red Oxide Primer as a paint item. The matter was then considered by the Classification Committee at the Headquarters, when it was decided, in consultation with the Technical Authorities, to classify the item as falling under the category of paints for the purpose of grant of export benefits. This decision has been conveyed to the Licensing Authorities on 3rd April, 1979.

(c) Central Excise Duty is levied on this as a paint item. Hence there is no clash between the classification adopted for this purpose and for the purpose of grant of export benefits.

**SHRI M. V. CHANDRASHEKHARA MURTHY:** Is there any specific Guidelines set out by the Government for the classification of export items?

**THE MINISTER OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA):** Hundreds of items are being exported now and they are covered in the Policy Book. But many a time there is a question of interpretation also. In this case whether red oxide should be treated to be a paint or not was the question. Here the mechanism is that there is a regional committee at the JCCI level in each region and that Committee is under the Export Commissioner at the national level. So these regional committees go into this and here in this case previously it was decided that it was not a paint, but then the matter was taken up by the Export Promotion Council and it has been decided that it could be included in the category of paint and the advantages that are available will be given. But I know that because of this interpretation, some delays are caused and I have announced yesterday in this matter also—I have asked the Office—that there should be something like time-bound programme so that if any matter comes for interpretation, within a prescribed time it

must necessarily be decided. So, these worries and agencies of the exporters would not continue.

**SHRI M. V. CHANDRASHEKHARA MURTHY:** It is reliably learnt that the small-scale exporters have lost heavily on account of wrong classification of this item. I would like to know from the hon. Minister whether the loss sustained by the exporters would be reimbursed to them. If so, to what extent?

**SHRI MOHAN DHARIA:** I cannot exactly quantify it, but I can assure the hon. Member that if we categorise it as a paint, whatever facilities like entitlement for cash assistance and also for replenishment, are available under this classification will be given to the exporters.

**SHRI K LAKKAPPA:** The wrongful classification of the item has resulted in a clash between the State and the Centre. In the case of items which are entitled for cash assistance and other facilities, the Export promotion Council would decide in favour of certain exporters. So, certain items which are exported by certain people would not be classified. Thus, it will help certain class of exporters and they will get the benefits. Therefore, will you categorise those items and give a guideline in this regard, because there are so many items under the production of State sector which have not been classified at all? It involves earning of foreign exchange. Therefore, will you kindly consider a comprehensive guideline so that the clash between the State and the Centre is removed?

**SHRI MOHAN DHARIA:** The Policy Book includes all these items and they are described in that. But many times it happens that new items are also invented because of the new scientific technological advance. There are many areas where perhaps there is a scope for misinterpretation. The only care that we can take is to expedite such proposals and that will be done.