

per year for the last three years, exports of castor oil have been as follows:

(Qty. In Tonnes)
(Value in Rs. Crores)

Year	Quantity	Value
1983-84	17,080	24.60
1984-85	34,225	44.82
1985-86	31,600	26.54

The volume of export has not shown any significant decline but there has been substantial shortfall in export earnings on account of fall in price as a result of surplus production in Brazil which is the other major producing country.

(d) The Government has announced CCS at the rate of 5 per cent on exports of castor oil medicinal BP which constitutes the bulk of castor oil exports. There is also CCS on some castor oil derivatives ranging from 8 to 10 per cent. It is anticipated that grant of CCS on export will enable us to step up export of castor oil.

Pact between India and Hungary to avoid double taxation

1400. SHRI MUKHTIAR SINGH MALIK: Will the Minister of FINANCE be pleased to state:

(a) whether India and Hungary has recently signed a pact to avoid double taxation;

(b) if so, what are the broad outlines of this pact; and

(c) how far it will be beneficial to India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) Yes, Sir. The Convention between India and Hungary for avoidance of double tax-

tion with respect to taxes on income has been signed on 30.10.86. However, it will come into effect only when the two countries notify each other about the completion of procedures required by their respective laws for bringing this Convention into force.

(b) Under this Convention, business profits derived by an Indian enterprise or a Hungarian enterprise will be charged to tax only in the country of its residence unless the enterprise carries on business in the other country through a "permanent establishment" situated therein.

Apart from laying down rates of tax on royalty, fees for technical services, dividends and interest, the Convention determines the respective taxing rights of the two countries on income from profession, pension, salaries etc. It also provides for exchange of information not only for carrying out the provisions of the Convention, but also for the prevention of tax frauds and detection and prevention of tax avoidance and evasion.

(c) The Convention will help in the modernisation and growth of Indian Industry by encouraging flow of capital and technology in essential areas. It is also expected to increase our export capability and export markets.

Export of beef

1401. SHRI S. S. AHLUWALIA: Will the Minister of COMMERCE be pleased to state:

(a) what is the quantum and value of beef exported from India during the last three years, year-wise; and

(b) what is the prevailing rate of beef per kg. in India and in the international market?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) Following are the details of Beef (Buffalo) exported

from India during the last three years, year-wise;

Year	Qty.	Value
	in MTs	Rs, lakhs
1983-84 (Prov)	27920	3340
1984-85	31744	4139
1985-86	35400	4489

(b) The prevailing rate of Beef (Buffalo) in India is between Rs. 10 to 11 per Kg. The International rate for frozen beef is understood to be of the order of \$800 per M. T. and it approximates to the rates prevailing in India at the current exchange rates.

Export of leather

1402. SHRI S. S. AHLUWALIA: Will the Minister of COMMERCE be pleased to state the total quantity and the value of leather exported from India during the last three years, year-wise and its percentage share in the international market?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): The estimated value of finished and semi-finished leather exports from India during the last three years has been as under:

(Value in million Rs.)

1983-84	1984-85	1985-86
2,489.21	3,576.85	3,372.67

(Source : Council for Leather Exports)

Data in respect of quantity of all varieties of leather exports is not available. The share of Indian leather exports in the international market is estimated at a little over 8 per cent.

Credit requirements of Banks

1403. SHRIMATI RENUKA CHOWDHURY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that on the basis of an analysis made by the Reserve Bank of India, it has come to the conclusion that the credit requirements of banks would go up with the expected pick-up in industrial production in the second half of 1986-87; and

(b) if so, what arrangements are being made by Government to make available the required credit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) Reserve Bank of India has reported that there is generally a seasonal increase in the credit requirement during the second half of the financial year. The important measures taken to enable the banks to meet all genuine credit requirements are:

(i) release of Rs. 496 crores of impounded cash balances of banks in two equal instalments on November 22, 1986 and January 31, 1987; (ii) continuing to calculate the limit for export credit refinance at 100 per cent of the increase in export credit over the monthly average level of credit in 1984. The concession of not bringing forward the base to the average level of credit in 1985 would amount to an access to refinance of Rs. 200 crores more than would have been the case had the base been brought forward to 1985; (iii) hitherto banks were to seek prior sanction of the Reserve Bank before utilising the discretionary refinance facility. With a view to providing more expeditious access to this facility, all licensed scheduled commercial banks, excluding regional rural banks, are now permitted to draw discretionary finance, without prior sanction by the Reserve Bank upto an amount equivalent to 0.5 per cent of the banks' average deposits in 1985-86, at a rate of interest of 14 per cent per annum, for a period not exceeding 14 days provided there is a gap of 14