

(b) The deficiencies pointed out are being removed.

EXPANSION OF INDIAN SHIPPING

1530. SHRI H. M. TRIVEDI: Will the Minister of SHIPPING AND TRANSPORT be pleased to state:

(a) whether Government have accepted the unanimous recommendations of the National Shipping Board of

measures to promote expansion of Indian Shipping;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF SHIPPING AND TRANSPORT (SHRI RAJ BAHADUR): (a) to (c) A statement indicating the action taken on the recommendations of the National Shipping Board is attached.

STATEMENT

Action taken on the Recommendations of the National Shipping Board.

Recommendations	Action taken thereon
(1) Government should lay down a firm unqualified policy committing themselves to the release of free foreign exchange to the extent of not less than 20% of the purchase price of all ships permitted to be purchased from abroad on deferred payment terms.	Whenever ship acquisition proposals are finalised under standard credit or OECD terms, Government normally release 20% price of the ship in free foreign exchange. Only in case of commercial borrowings where it is possible for companies to raise loans upto 90%, Government would prefer to release only 10 percent in free foreign exchange. However, where it is not possible for a party to negotiate foreign exchange loan of higher than 80% Government would be inclined to consider release of 20% of the balance amount in free foreign exchange.
(2) In all cases of foreign exchange loans for the purchase of ships from abroad, a uniform limit of 8% on the rate of interest should be fixed. This limit being subject to only to periodical review on the basis of prevailing market conditions and changed only after adequate notice to the Industry.	Generally accepted.
(3) The Shipping Development Fund should be self sufficient revolving non-lapsable source of finance maintained at a level so that it is not dependent on the budgetary position of Government.	Under consideration. It may, however be stated that Shipping Development Fund Committee is never starved of funds and its requirements of funds is generally met.
(4) The rate of interest and other terms and conditions on SDFC loans must be firmly fixed as they were applicable to loans prior to February, 1971, for a known period. Any change in these terms should be effected only after adequate notice and after prior consultation with the Board.	Under consideration.
(5) Government should continue to grant Development Rebate to Shipping beyond May, 1974. The existing rules relating to the rebate should be suitably modified to ensure that the reserve created out of this rebate is utilised only for acquisition of ships and for no other purpose at any time—not even after 8 years.	Under consideration.

Recommendations

Action taken thereon

If this is not acceptable to Government, then—

- (i) suitable formula may be devised for calculating depreciation on replacement cost so that depreciation provided from year to year is sufficient to provide replacement at the end of 20 years.
- (ii) allow free depreciation to enable to write off the capital cost in a short period. If it is decided to introduce free depreciation it should be supplemented by an investment allowance.

Depreciation reserve should be utilised only for acquisition of tonnage and for no other purpose and a condition to this effect should be laid down by Government while granting this concession.

- (6) For the purpose of tax exemption of profits (upto 6% for 5 years for new ships) the earlier practice of permitting borrowed capital to be taken into account for the computation of capital employed should be reintroduced. The borrowed capital should not be deducted from the written down value of a ship for the purpose of computation of capital employed. Under Consideration.
- (7) For the purpose of MRTP Act, norms in terms of gross tonnage be laid down before a shipping company is attracted by the provisions of the Act. Under Consideration.
- (8) Emphasis for future acquisition should shift to bulk carriers and tanker tonnage. Tanker tonnage should be allowed to be freely acquired even for employment in the cross trades. Noted. This aspect is being taken into account in fixing the target for the Fifth Plan.
- (9) Two additional shipyards should be established during the Fifth Plan. Noted. This aspect is being taken into account in fixing the target for the Fifth Plan.

खाद्यान्नों को राज्य से बाहर लाने-लेजाने पर
ढील

1531. श्री पंढरीनाथ सीतारामजी
पाटिल : क्या कृषि मंत्री यह बताने की
कृपा करेंगे कि :

(क) क्या सरकार ने राज्य सरकारों
से देश में खादय संकट को देखते हुए खाद-

यान्नों को राज्य के बाहर लाने ले जाने पर
लगे प्रतिबन्ध को ढीला करने का आग्रह किया
है ; और

(ख) यदि हां, ऐसे प्रतिबन्ध किन
किन राज्यों में लगे हुए हैं और किन-किन
राज्यों ने इस अनुरोध का गालन किया है