

- (a) whether the India and Israel has signed any economic cooperation agreements;
- (b) if so, the details thereof;
- (c) whether the Israel Government has offered credit facilities to the Exim Bank of India for export of capital goods from Israel of India;
- (d) if so, the details thereof;
- (e) whether the two Governments had detailed discussions to review economic relations; and
- (f) if so, the details of issues discussed and the outcome thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) to (f) During the visit of H.E.Mr. Avraham B. Shochat, Hon'ble Minister of Finance, Israel to India from 26-30th January, 1996 on the invitation of Finance Minister, various matters of bilateral importance were discussed and decisions taken. Among them besides agreeing to assist Joint Ventures in both countries in several areas and deliberating a Israeli offer of credit of US \$ 100 million to EXIM Bank and EXIM Bank's reciprocal credit of US \$ 25 million for promoting exports of capital goods by each other, the following three agreements were signed :

Agreement on Bilateral Investment Promotion to give fair and equitable treatment for full protection and security to investments from both countries.

Customs Cooperation Agreement to facilitate proper application of customs law and prevention, investigation and combating of customs offences between two countries.

Agreement for Avoidance of Double Taxation & the prevention of fiscal evasion with respect to taxes on incomes and on capital.

Bungling in Export and Import

496. SHRI HARI KISHORE SINGH :
SHRI SURENDRA PAL PATHAK :

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government are aware that hawala racketeers are growing in this country;
- (b) whether the attention of the Government has also been drawn to the news-item captioned "Ek Hawala Aayat-Niryat Mein Bhi Jismein Karoroh Rupaye Ka Varan-Nyara" appeared in 'Jansatta' dated January 27, 1996; and

(c) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE. (SHRI M.V. CHANDRASEKHARA MURTHY) :
(a) The Government are seized of the problem.

(b) Yes, Sir.

(c) 99 cases of over-invoicing have been reported

during the year 1994-95 and 1995-96 (upto September, 1995). Declared value of export goods in these cases is Rs.3184 lakhs approximately as against accepted/estimated value of Rs. 940 lakhs (approx.).

[Translation]

AI and IA Passes

497. SHRI RAM TAHAL CHOUDHARY : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) the details of Passes issued by Air India and Indian Airlines during the years 1993 to 1995 and the cost incurred thereon including the Passes issued for inaugural flights separately;

(b) the expenditure incurred on the hospitality during the above period; and

(c) the criteria laid down to issue such Passes ?

THE MINISTER OF CIVIL AVIATION AND TOURISM AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : (a) and (b) The details of free passes and inaugural passes issued by Air India and Indian Airlines during the years 1993 to 1995 and the expenditure incurred on the hospitality for inaugural invitees is given in the statement attached.

No cost is incurred on the free passes as free pass holders are generally accommodated only after accommodating revenue paying passengers.

(c) Air India and Indian Airlines issue free passes to various categories of persons, in the overall commercial and business interest. The powers to issue these passes are vested in the Managing Directors of both the companies. Managing Director, Air India has delegated these powers to certain Heads of Departments, including Commercial Director who has in turn sub-delegated the same through Regional Departmental Heads in the Headquarters and Regional Directors are authorised to grant free passes.

STATEMENT

Details of Free Passes issued by Air India and Indian Airline during the Year 1993 to 1995 including the Passes for Inaugural Flights

(1) FREE PASSES ISSUED BY AIR INDIA	
1992/93	529
1993/94	642
1994/95	938
April-November, 95	547

Air India has incurred the following costs on inaugural invitees :-