

Unsuitable Airports for Airbus Flights

880. SHRI G. Y. KRISHNAN: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether there are certain airports in the country which are not ready for the airbus flights and if so, the particulars thereof; and

(b) the measures Government propose to take to develop them for airbus flights?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): (a) and (b). Airbus services are at present being operated to Delhi, Bombay, Calcutta, Madras and Bangalore airports. Indian Airlines have plans to operate airbus services to Gauhati Dabolim (Goa) and Srinagar. Development works at these three aerodromes are already in progress to make them suitable for airbus operations.

Scheme for Distributing Edible Oil on No-Profit-No-Loss Basis

881. SHRI G. Y. KRISHNAN: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether the Edible Oil Dealers have worked out a scheme for distributing edible oil on a no-profit-no-loss basis; and

(b) if so, the main features of this scheme?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): (a) and (b). Yes, Sir. An association of exporters and importers of edible oils has formulated a scheme for the distribution of imported edible oil in the city of Bombay at the rate of 100 tonnes a day, through the agency of the State Civil Supplies Organisation, at an end retail price

of Rs. 8.50 a kg. The scheme will be in operation till the end of September, 1977.

Customs Duty Claim against Indian Leaf Tobacco Development Company

882. SHRI JYOTIRMOY BOSU: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether Government are aware that the customs duty claim for Rs. 90 lakhs against the Indian Leaf Tobacco Development Company, pending since 1972-73, was suddenly dropped on 19-3-77 under instructions from erstwhile Prime Minister, Smt. Indira Gandhi through the then Revenue Minister Shri Pranab Mukherjee;

(b) if so, the facts thereof;

(c) action being taken now thereon; and

(d) whether in Feb. 1977 concessions worth Rs. 10 crores have been given to Cigarette industry by the erstwhile Prime Minister by way of assessing excise at prices charged by primary dealers and exemptions to card board containers and refund of pending claims?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) The Madras Custom House had raised a claim for about Rs. 90 lakhs against the Indian Leaf Tobacco Development Company. The Company's representation against the claim was examined in the Department of Revenue and was finally disposed of on 19-3-1977 by issue of an exemption order after examination by the Department and

after obtaining the orders of the then Minister for Revenue and Banking. The Department's file does not show that there were any instructions from the then Prime Minister.

(b) The facts of the case are that the Madras Custom House had asked the ILTDC in October, 1972 to show cause why customs duty amounting to Rs. 90.77 lakhs should not be recovered from it on a consignment of unmanufactured Indian tobacco re-imported by the Company in July, 1972 at Madras. This claim was disputed by the Company, but in May, 1975, the Madras Custom House confirmed the demand. The Company preferred an appeal against this demand in August, 1975 which was rejected in May 1976. The Company filed a revision application which was also rejected in October, 1976.

The Company then represented the matter to the then Minister of Revenue and Banking in October, 1976. In this representation, the Company again pointed out that it had paid the central excise duty when the re-imported consignment was cleared for manufacture of cigarettes. While considering this representation, it was noted that the Madras Custom House should not have released the re-imported consignment without having charged the customs duty equal to the central excise duty leviable thereon as required by Law. The re-imported consignment had been taken into excise bond and cleared for use in the manufacture of cigarettes. On the basis of the use to which the re-imported consignment was put, the correct customs duty equal to central excise duty leviable thereon should have been Rs. 11.4 lakhs @ Rs. 5 per kg. The Madras Custom House had, however, erroneously raised a demand for customs duty at the highest rate of central excise duty of Rs. 40 per kg. applicable to tobacco used in the manufacture of smoking mixtures.

At the stage of consideration of the representation of the Company, these facts were taken in account. As the Company had paid the central excise duty leviable on tobacco used in the manufacture of cigarettes, though after clearance, and the recovery of customs duty would have had the effect of recovering duty twice over, and also because this would have acted as an inhibiting factor on exports, it was decided by the Government at the level of the Minister on 19th March, 1977 that the Company be exempted from payment of customs duty equal to the central excise duty.

(c) In view of (a) and (b) above, the question does not arise.

(d) No such concessions were given specifically to the cigarette industry in February, 1977 or around that time. Instructions interpreting the provisions of Central Excise Law relating to valuation of all types of excisable goods have been issued from time to time in consultation with the Ministry of Law. These instructions cover among other things the question as to what type of packing should be included for purposes of determining assessable value and the circumstances in which dealers, stockists, etc. should be treated as "related persons". Apart from such interpretative instructions of general nature covering all commodities, the only specific instructions in regard to cigarette industry were issued in May, 1976 on the question whether the cost of corrugated fibre board containers should be included for determining the assessable value of cigarettes. These instructions were based on the general instructions issued earlier in respect of all excisable goods, according to which, the cost of additional packing which is distinct from the packing in which or on which the excisable goods are wrapped, contained or wound cannot be included in the assessable value of the excisable goods. It is possible

that as a result of the instructions issued interpreting the law regarding valuation, the cigarette industry may also have derived some benefit, in common with other industries. It is not possible to quantify the precise extent of the benefit.

Amount accrued on account of Compulsory Deposit Scheme

885. SHRI JYOTIRMOY BGSU: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) amount accrued on account of Compulsory Deposit Scheme out of payments made by employees and workers; and

(b) amount accrued on account of Compulsory Deposit Scheme out of payment made by employers?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) The gross amount of compulsory deposits made by employees of Central and State Governments, local authorities and of private and public sector units under the Additional Emoluments (Compulsory Deposit) Act, 1974 upto 3rd June, 1977, was Rs. 1764.68 crores.

(b) Employers do not make any payment under Compulsory Deposit Scheme; they only remit to the nominated authorities under the Act the amounts deducted towards compulsory deposits from the emoluments disbursed to their employees.

Validity of L.I.C. (Modification and Settlement) Act, 1976

886. SHRI C. K. CHANDRAPPAN: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether the All India LIC Employees Federation has challenged

the validity of the LIC of India (Modification and Settlement) Act, 1976 in the Supreme Court;

(b) whether the Court after hearing both sides, suggested that the parties might negotiate and come to settlement;

(c) whether Government have come to any settlement with the LIC employees as suggested by the Court;

(d) if so, the facts thereof?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL):

(a) Yes, Sir.

(b) Yes, Sir.

(c) and (d). No settlement has been reached so far. The views of the Government have already been conveyed to the Supreme Court.

Visit of the Chairman of the Coffee Board to Kerala

887. SHRI C. K. CHANDRAPPAN: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether the Chairman of the Coffee Board had recently visited Wynad in Kerala and had discussions with coffee-growers and others on the various problems of coffee cultivation, marketing and other matters;

(b) if so, the results of his visit;

(c) whether steps have already been taken to fulfil the various promises and assurances he had made in various conferences; and

(d) if so, the main features thereof?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA):

(a). Yes, Sir.