

(c) the steps contemplated to eliminate this evil ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA) : (a) Transfer of ownership of flats in metropolitan cities, without the statutory requirement of registration under the Indian Registration Act, was indentified as one of the sectors generating black money in the Report of the Wanchoo Committee.

(b) The transactions in immovable property on a "Power of Attorney" basis have been recognised as resulting in generation of black money but there is no estimate of the extent of black money generated by such transactions.

(c) The Finance Act, 1987 has introduced provisions with effect from 1.4.1988 whereby any person having possession of any building or part thereof on "Power of Attorney" basis will be deemed to be the owner of that property for the purposes of the Income-tax Act and Wealth-tax Act.

The other measures adopted by the Income-tax Department for curbing the generation and investment of black money in immovable property transactions include valuation of immovable property by the valuation cell, surveys of commercial and industrial areas and searches of residential and business premises. The Central Government is also empowered with pre-emptive power to purchase the immovable property in metropolitan cities of Delhi, Calcutta, Bombay, Madras, Bangalore and Ahmedabad.

News Item "STC wins legal Battle in China"

11089. DR. B.L. SHAILESH :

SHRI CHINTAMANI JENA :

Will the Minister of COMMERCE be pleased to state :

(a) whether his attention has been invited to the news items captioned "STC wins legal battle in China" appearing in the 'Economic Times', New Delhi, dated 20 April, 1988 ;

(b) if so the facts of the case and the circumstances in which the Chinese Government seized the cargo consisting of rubber and palm oil and its value ;

(c) the steps being taken to repatriate the left out cargo and the proceeds of the goods sold to the Chinese traders by Government of China ;

(d) the approximate amount of the goods thus sold by the Chinese ;

(e) whether there were similar incidents previously as shipments for and from India were diverted to other destination and goods were disposed of illegally leaving shippers insurers to take recourse to legal action ; and

(f) if so, a detailed report thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI) : (a) Yes, Sir.

(b) to (f). A Statement giving details of the case is given below.

Statement

(b) to (f). In July, 1985, M/s Malaysian Rubber Development Corporation, Kuala Lumpur, shipped a quantity of 2500 MT of natural rubber per vessel "TROPICAL QUEEN" from the port of Port Kelang. STC had made a payment of Rs. 221.81 lakhs to the Malaysian Corporation against receipt of documents as per terms of the contract. The vessel was due to discharge the cargo at Madras around 24th July, 1985 but it was reported that instead of coming to Madras, the vessel went to Hong Kong and then to People's Republic of China. The consignment of natural rubber was later traced to have been landed in Shantou Economic Zone (People's Republic of China).

Following reports of disappearance of vessel, a claim for Rs. 243.99 lakhs towards the total loss of consignment was lodged in August, 1985 with the insurers viz. M/s National Insurance Co. Ltd. The insurers paid to STC Rs. 2 crores 'on account' and the balance is still to be received by STC from the National Insurance Co.

For retrieval of the cargo of natural rubber lying at Shantou, STC's underwriters M/s National Insurance Co. arranged to file a suit in the Guangzhou High Court and the judgement has gone in favour of the plaintiff (STC).

The vessel "TROPICAL QUEEN" also carried a consignment of 3 Parcels of Palm Fatty Acids Distillate (PFAD) amounting to 1450 tonnes for import in India. Payment for one of the parcels of PFAD was initially released by STC under reserve. No payment was made for the two balance parcels of PFAD. On account of the vessel having been diverted, STC called back the payment of one parcel through banking channels. STC did not, therefore, prefer any claim for PFAD.

The judgement of the Chinese High Court has ordered that the natural rubber cargo totalling 1567 MT (recovered out of the original 2500 MT shipped) be returned to the plaintiff who must reship the rubber cargo at their own cost. STC's insurers, M/s National Insurance Co. to whom rights to cargo had been subrogated by STC are to arrange either to sell the cargo within China or to ship it to a port such as Singapore where it can be disposed off. The proceeds of such disposal would go to the National Insurance Co. As regards PFAD, no claim has been filled by STC as STC had been paid for the cargo.

A similar incident occurred in August 1984, when (a) a consignment of 1800 MT of PFAD on board 'Ocomos Prosper' was illegally diverted. Part of the PFAD cargo (875 tonnes) was off-loaded at Singapore. This was retrieved from there in good order and shipped to India at the cost of Insurance Company. The balance quantities of PFAD was considered as lost and paid for by the Insurance Company, and (b) a consignment of 1800 MTs of Natural Rubber was also on board the same ship. This too was illegally diverted. The consignment was considered a total loss in view of the fact that the goods had been stolen. It is understood that these reached Taiwan to whom these were illegally sold by a Thai Company. M/s National Insurance Co. Ltd paid STC's claim in full in this case too. Shipment

of natural rubber has now been restricted to vessel which have prior approval of General Insurance Corporation.

Excise duty on Polyester filament yarn and Polyester Staple Fibre

11090. DR, B.L. SHAILESH :

DR, DATTA SAMANT :

Will the Minister of FINANCE be pleased to state :

(a) whether the benefits of excise duty reduction on Polyester filament yarn and polyester staple fibre has not reached the consumers as most of the manufacturers raised their prices just before the budget ;

(b) whether in some cases cloth will actually be more expensive than it was before the Budget ; and

(c) if so, the positive steps Government propose to take in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT KUMAR PANJA) : (a) to (c). The prices of polyester staple fibre and polyester filament yarn fluctuate on account of market forces. The prices of these products were generally lower in February, 1988 as compared to the prices in January, 1988. The manufacturers have, by and large, passed on the benefit of excise duty relief announced in the budget to their consumers.

Consequent to the reduction of excise duty on synthetic fibres and yarns, there has been a fall in prices of some varieties of synthetic fabrics, ranging from 50 paise to Rs. 2 per metre.

Show cause notices issued by Directorate of Enforcement

11091. SHRI SYED SHAHABUDDIN : Will the Minister of FINANCE be pleased to refer to the reply given on 15 April, 1988 to Unstarred Question No. 7059 regarding show cause notices issued by Directorate of Enforcement and state :

(a) the number of show cause notices issued during 1985 and 1986 ;