

(a) whether the applicability of Cash Compensatory Support (CCS) scheme and other benefits to contracts registered under a separate scheme formulated for the purpose for 1988-89 has been affected following several changes made under the scheme;

(b) if so, the details thereof; and

(c) the remedial steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DASMUNSI): (a) to (c). The policy of Registration of Export Contracts as outlined in Chapter XVII of Import Export Policy April 88-March 91 (Vol I) has been made applicable to cases of Cash Compensatory Support with a few modifications of the benefit given in para 208 of Chapter XVII of the above said Policy. For example, the benefit of para 208 will not be applicable where CCS rates are applicable upto a specific terminal date.

LIC Agents In Kanpur

7365. DR. V. VENKATESH: Will the Minister of FINANCE be pleased to state:

(a) whether some over-ambitious agents of the Life Insurance Corporation of India (LIC) in Kanpur have been procuring business in irregular ways;

(b) whether as a result thereof rate of surrendering of insurance policies has been increasing by leaps and bounds in City Branch Nos. 1, 2 and 3 of the LIC, Kanpur;

(c) whether the agents are getting new insurance policies issued to those policyholders immediately after their surrendering earlier policies;

(d) if so, the facts thereof and expenses being incurred by the LIC on such policies;

and

(e) the steps contemplated to be taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) No, Sir.

(b) No, Sir. The surrenders in the three branches namely City Branch Nos. 1, 2 & 3 of Kanpur Division have not increased during the current year but have, in fact, come down.

(c) to (e). No, Sir. The Life Insurance Corporation of India does not encourage any policyholder either to take a new policy in lieu of his existing lapsed policy or to surrender any existing policy. If a policy is lapsed by non-payment of premiums within the last 3 years and in case of surrender within 6 months, the Corporation does not issue a new policy unless such lapsed/surrendered policy is revived/reinstated. In fact, when it came to the notice of the Corporation that one agent attached to the City Branch No. 1 in Kanpur was persuading policyholders to discontinue old policies and take new policies under different plans, immediate action was initiated and the concerned agent was suspended and was directed not to solicit any new business.

Legal Expenses Incurred by MTP

7366. SHRI ATISH CHANDRA SINHA: Will the Minister of RAILWAYS be pleased to state:

(a) the amount of legal expenses incurred by the Metro Rail (MTP), Calcutta, for contesting different cases in different courts of law or legal bodies during the last three years;

(b) the issues involved in these cases;

(c) whether some of these cases pertain to the awards made by different Arbitrators appointed by the concerned parties; and

(d) the action being taken to resolve the issues of Arbitration awards out of the courts to avoid further liabilities of the Railways?

THE MINISTER OF STATE OF THE MINISTRY OF RAILWAYS (SHRI MADHAVRAO SCINDIA): (a) Rs. 3,67,000/

(b) Acquisition of land, claims for compensation for damages caused to buildings due to Metro construction, cases filed by staff in Central Administrative Tribunal regarding service matters, disputes regarding contracts, Arbitration awards, etc.

(c) Yes, Sir.

(d) Out of courts settlement is considered on the merits of each case.

Tax Arrears against Gannon Dunkerley and Company Ltd. Calcutta

7367. **SHRIM.V. CHANDRASEKHARA MURTHY:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that huge tax arrears have been determined by the Income tax authorities against the Gannon Dunkerley and Company Limited, Calcutta and also against its associate associated companies viz., Gannon Pressure Vessels Limited and Test Steels Limited etc.;

(b) whether the Income tax department had also conducted raids and seized huge amounts of undisclosed wealth;

(c) if so, the facts and details thereof; and

(d) what action is proposed to be taken

against the Directors of the aforesaid companies for realisation of Government dues?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) In the case of Gannon Dunkerley & Co. Ltd., Calcutta, income tax arrears were Rs. 7.66 crores as on 31.1.89. In the cases of Gannon Pressure Vessels Limited and Test Steels Limited there are no income tax arrears.

(b) No, Sir.

(c) Does not arise.

(d) The demand in the case of Gannon Dunkerley & Co. is disputed in appeal and recovery thereof has been stayed till the disposal of appeal. The CIT (A) has been requested to dispose of the appeal on priority.

Electrification of Tracks in A.P.

7368. **SHRI SODE RAMAIAH:** Will the Minister of RAILWAYS be pleased to state:

(a) the names of railway track sections brought under under electrified locomotion during the last three years; and

(b) the tracks proposed to be electrified in railway zones covering Andhra Pradesh during Eighth Plan period?

THE MINISTER OF STATE OF THE MINISTRY OF RAILWAYS (SHRI MADHAVRAO SCINDIA):

(a) *Sections energised during the last three years*

1. Gwalior-Itarsi

2. Madhira-Nagpur