

(c) and (d). Even though the Central sales tax levied on inter-State sales of goods is a Central subject of taxation, the levy is complementary to the levy of local sales tax by States and revenues accruing therefrom have also been assigned to the States under the Constitution. The collection of the Central sales tax is also made by the States Government administrations. It is considered that not much purpose will be served by abolishing Central sales tax in isolation. The general issue of the replacement of sales tax (both State and Central) by excise duty has to be pursued with the States.

#### **Refusal of Nationalised Banks to give Interest on Compulsory Deposits**

869. DR. V. P. PERIASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that nationalised banks refuse to give interest on that part of the Compulsory Deposits which depositors are entitled to withdraw;

(b) whether it is also true that those who did not withdraw by March 31, 1978 stood defrauded of interest on their deposits; and

(c) if so, the reasons for such a procedure and the extent to which it is in consonance with normal commercial probity?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) to (c). The nationalised banks are operating the Compulsory Deposit (Income-tax Payers) Scheme, 1974 which was framed under an Act of Parliament viz. the Compulsory Deposit Scheme (Income-tax Payers) Act, 1974. Under the Scheme, the deposits are repayable in five equal annual instalments, commencing from the expiry of two years from the end of the year in which the deposit was made, and interest ceases to accrue on an instalment after it becomes due for repayment.

This position has been publicised for the information of the depositors.

#### **Structural changes in L.I.C.**

870. SHRI VASANT SATHE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Government are considering a proposal to bring about structural changes in the Life Insurance Corporation of India as a result of numerous complaints from the various organisations about the functioning of L.I.C.;

(b) if so, furnish details of the proposals under consideration; and

(c) decision taken in the matter and how soon it will be implemented?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) No, Sir.

(b) and (c). Do not arise.

#### **Development of Trade between India and China**

871. SHRI NATVARLAL B. PARMAR:  
SHRI PIUS TIRKEY:

Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether the Indian Industrial Goodwill Delegation had toured China to assess the scope for development of trade between India and China;

(b) whether the delegation had submitted any report on the trade possibilities between the two countries; and

(c) if so, the details thereof and the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI RAIF BEG): (a) and (b). Two delegations of Association of