

Only those Development Officers who operate at uneconomic cost would attract the penal provisions of the new Scheme.

Rules Regulating a Subsidiary Company Borrowing Money from the Parent Company

687. SHRI S. S. DAS: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) are there any rules regulating a subsidiary company borrowing money from the Parent Company where no sales are taking place from the Parent Company to the subsidiary; and

(b) if these loans are interest free is the subsidiary evading tax by not paying the interest on the loan?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) There are no such rules in the Income-tax Act, 1961.

(b) No, Sir.

आयात नीति को और उदार बनाना

688. श्री एस० एस० सोमानी : क्या वाणिज्य तथा नागरिक पूति और सहकारिता मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि भारत सरकार ने हाल ही में नई नीति के अधीन जारी किये गये लाईसेंस के अन्तर्गत अधिक आयात की अनुमति देने के विचार से आयात नीति को और उदार बनाने का निर्णय किया है ; और

(ख) यदि हां, तो तत्सम्बन्धी व्यौरा क्या है ?

वाणिज्य, नागरिक पूति तथा सहकारिता मंत्रालय में राज्य मंत्री (श्री आरिफ बेग) : (क) तथा (ख) आयात नीति में परिवर्तन राष्ट्रीय हितों को पूरा करने के लिए किये जाते हैं तथा इन की घोषणा सार्वजनिक नोटिसों द्वारा की जाती है जो समय समय पर राजपत्र में प्रकाशित किये जाते हैं।

Under Cutting in Air India Cargo Market

689. SHRI K. LAKKAPPA: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government have seen the report appeared in *Times of India* dated 31st January, 1979 under caption "Under Cutting in Air India Cargo Market";

(b) what are the reaction of this Ministry; and any standard charge proposed in IATA to stop under cutting process in Air India; and

(c) action proposed?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): (a) to (c). The information is being collected and will be laid on the Table of the Sabha.

Agreement regarding Customs with Pakistan

690. SHRI K. T. KOSALRAM:

SHRI M. RAM GOPAL REDDY:

Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) the salient features of the customs agreement arrived at recently following the visit of the Pakistani delegation to India; and

(b) what is the extent of smuggling at present across the borders of the two countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) The delegation of Customs officials from Pakistan, which visited India in January, 1979, held discussions with Indian Customs officials on matters of mutual interest. The two delegations identified the areas of mutual cooperation in tackling smuggling across the border between the two countries, and agreed to consolidate the progress

made during these discussions by further follow up action and exchange of information periodically at appropriate levels.

(b) According to report received by Government, India-Pakistan border continues to be sensitive to smuggling. The total value of the seizures effected in the Collectorate having jurisdiction over this border was Rs. 43 lakhs during 1978 as against such seizures, worth Rs. 61 lakhs, effected in 1977. In order to combat smuggling more effectively, the Customs Preventive and Intelligence machinery has been kept fully on alert.

Foreign Exchange Earnings

691. SHRI BALASAHEB VIKHE PATIL: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether it is a fact that there has been fall in the foreign exchange earnings;

(b) what has been the foreign exchange earnings during each of the last two years—separately for those remitted by Indians settled abroad and that by way of export of goods; and

(c) names of countries and amount of foreign exchange earned in each of the last two years separately by remittance by Indians settled abroad and that by export of goods?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) As will be observed from the figures of quick estimates of foreign exchange earnings (including export and non-export receipts) in respect of calendar year 1973 onwards given below, there has been a continuous rise from year to year in the foreign exchange earnings of the country upto 1977. There has, however, been a slight fall

in the foreign exchange earnings in the year 1978.

| Year | Total foreign exchange earnings (Rs. in crores) |
|------|-------------------------------------------------|
| 1973 | 2488.58 |
| 1974 | 3209.82 |
| 1975 | 4695.18 |
| 1976 | 6547.98 |
| 1977 | 7523.78 |
| 1978 | 7374.06 |

(b) Foreign exchange earnings during each of the last two years by way of export of goods are as under:—

| Year | (Rupees in crores) |
|------|--------------------|
| 1977 | 5615.44 |
| 1978 | 5155.31 |

No precise information about the foreign exchange earnings during each of the last two years in respect of remittances made by Indian settled abroad is available separately, as details of inward remittances of Rs. 10,000 and below are not required to be reported to Reserve Bank of India by authorised dealers under the current rules. However, the overall figures of invisible earnings for the last two years are indicated below:—

| Year | (Rupees in crores) |
|------|--------------------|
| 1977 | 1908.34 |
| 1978 | 2218.75 |

The above figures are gross non-export receipts which includes all kinds of receipts, such as, airline receipts, shipping receipts, insurance receipts, investment income, tourism