

(a) whether the Government are aware of the grievances of L.I.C. employees who retired prior to January 1, 1986, about Pension Benefits;

(b) if so, the steps taken by the Government to redress the same;

(c) whether retired Class I Officers were given different treatment within the class by introducing a new phenomena of cut-off dates while releasing the arrears of salary/gratuity/pension on account of revision of scales with effect from August 1, 1992; and

(d) if so, the steps being taken by the Government to remove the following anomalies;

(i) the denial of arrears of salary and revised pension to pensioners retired between August 1, 1992 to March 31, 1993;

(ii) denial of difference in gratuity to those retired between August 1, 1992 to July 31, 1994;

(iii) treating the officers promoted before April 1, 1973 differently from those promoted after April 1, 1993 as Class I Officers by completely denying the former the benefit of gratuity on account of revision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) The pension scheme which was introduced in the Life Insurance Corporation of India (LIC) w.e.f. 1.11.1993 is applicable to those who retired w.e.f. 1.1.1986 or later. The pension scheme was introduced in lieu of erstwhile Contributory Provident Fund scheme. Representations were received to include pre-1.1.1986 retirees also under the pension scheme. On account of financial and administrative constraints, it was not possible to extend the pension scheme to pre-1986 retirees.

(c) and (d) Even though the revision of pay scales of Class I Officers was w.e.f. 1.8.1992, taking into account the cost constraints the effective dates for drawal of benefits such as arrears of pay, enhanced gratuity and other allowances was staggered and is uniformly applicable to all Class-I Officers of the LIC.

#### Tax Dues Against Airlines

654. SHRIMATI LAKSHMI PANABAKA : Will the Minister of FINANCE be pleased to state:

(a) whether a number of foreign airlines have become defaulters in regard to payment of tax on income;

(b) if so, whether the Delta Airlines and the United Airlines have not paid tax on income collectively amounting to Rs. 800 crores which they earned in India during the last few years;

(c) if so, the details thereof;

(d) whether the Delta Airlines have not paid tax since 1991;

(e) if so, the details thereof;

(f) whether the US Airlines have also not paid tax since 1995; and

(g) if so, the details thereof and the action proposed to be taken by the Government against these airlines for non-payment of tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Only three foreign airlines are reported to have become defaulters in regard to payment of tax on income.

(b) to (g) As per Article 8 of Double Taxation Avoidance Agreement between India and USA, the income of airlines based in USA are subject to tax in USA only.

However, notice have been issued to M/s Delta Airlines for assessment year 1992-93 to 1996-97 to bring to tax its income other than the income from business operations of airlines. The returns have been filed by M/s Delta Airlines in response to these notices.

Similarly, enquiries have also been made in respect of M/s United Airlines to bring to tax its income other than the income arising from its airlines operations.

#### Additional Central Financial Assistance to States

655. DR. Y.S. RAJASEKHARA REDDY: Will the Minister of FINANCE pleased to state:

(a) the total additional central financial assistance sought by the various States particularly Andhra Pradesh during each of the last three years.

(b) the details of funds allocated by the Union Government during the above period,—projectwise;

(c) whether any additional assistance has been sought during the current financial year; and

(d) if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (d) The Annual Plans of States are finalised by the Planning Commission to be funded by States' own resources and Centrally allocated resources like market borrowings negotiated loans and Central Assistance. The Annual Plans are fully funded. This Central Plan Assistance consists of Normal Central Assistance, Additional Central Assistance for Externally Aided Projects. Central Assistance for Centrally Sponsored Schemes transferred