

exports and imports between India and Nepal during the last three years 1987-88, 1988-89

and 1989-90 (upto December 1989) are given below

(Rs. Crores)

<i>Year</i>	<i>Export</i>	<i>Import</i>	<i>Total</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
1987-88	93.68	44.66	138.34
1988-89	97.28	34.74	132.02
1989-90 upto Dec. '89)	68.32	0.15	68.47

Source: DGCIS, Calcutta

(b) and (c). During 1989-90, two-way trade between India and Nepal has declined as compared to 1987-88 and 1988-89. The decline is due to change in the trade regime after the expiry of the Indo-Nepal Treaty of Trade in March, 1989.

[English]

Realisation of Policy Premiums by Divisional Office of LIC at Bombay

5936. SHRI V. SREENIVASAPRASAD:
Will the Minister of FINANCE be pleased to state:

(a) whether the Divisional Office of the Life Insurance Corporation of India at Bombay and its branches there have been largely failing to realise policy premiums from different employees on account of insurance policies issued under LIC's salary saving scheme;

(b) whether the above Divisional Office has not been keeping track with those employees who are transferred out of Bombay;

(c) whether as a result quite a large number of insurance policies are getting lapsed;

(d) if so, the facts thereof; and

(e) the action being taken to revive such policies without charging any interest?

THE MINISTER OF FINANCE (PROF. MADHU DANDEVATE): (a) No, Sir.

(b) No, Sir.

(c) No, Sir.

(d) Does not arise.

(e) Generally interest is charged on revival of policies as per rules. However, in individual cases, waiver of interest is considered by the LIC on merits.

Reduction In Duty on Capital Goods

5937. SHRI MADHAVRAO SCINDIA:
Will the Minister of FINANCE be pleased to state:

(a) whether Punjab, Haryana and Delhi Chambers of Commerce and Industry has in a memorandum submitted to Government demanded reduction in duty on capital goods manufacturing sector;

(b) if so, the precise demands made by Punjab, Haryana and Delhi Chambers of Commerce and Industry; and

(c) Government's reaction thereto?

THE MINISTER OF FINANCE (PROF MADHU DANDAVATE): (a) Yes, Sir.

(b) The Punjab, Haryana and Delhi Chamber of Commerce and Industry had in their pre-budget memorandum requested for various reliefs, which inter-alia included suggestions for reduction of excise and customs duties on capital goods. Regarding excise duty on capital goods, the Chamber suggested a general reduction of excise duty on capital goods sector. As regards customs duty concessions, the relevant extract from the pre-budget memorandum is reproduced below:-

- (1) Not to use capital goods imports too much as a revenue source;
- (2) Customs duty on capital goods and technology imported by the indigenous machine manufacturing sector for upgrading their manufacturing capabilities should be substantially reduced;
- (3) A slightly higher rate of duty could be imposed on imports of capital goods by user industry with the limited objective of using it as a measure to protect the indigenous capital goods industry;
- (4) In the case of import of selective capital goods by industries linked to export obligation, the conces-

sional duty is still high and is available only to a few selected industries. In the context of foreign exchange compulsions and exports thrusts, the import duty in such cases should be totally exempted and extended to all industries willing to accept export obligation within the acceptable legal framework;

- (5) Imports of capital goods not manufactured in India but needed by user industry should be allowed totally duty free from customs & CVD. The Government has allowed such capital goods for import under the Import Policy after being convinced of the need for the same. When so, there is no justification to impose high duties;"

(c) In the Budget for 1990-91, some adjustments in customs and excise duty rates on capital goods have been brought about, which inter alia include:

- (i) reduction of excise duty on specified capital goods by five percentage points;
- (ii) concessional import duty of:
 - (a) 40% ad valorem (total) on thirteen specified machinery/equipments for food processing marine products sector;
 - (b) 40% ad valorem (total) on ten specified items of machinery-equipments for rubber belt-making industry and twenty specified items of machinery/equipments for forged hand tool industry against export obligation; and
 - (c) 25% ad valorem (total) on

capital goods for export production, subject to fulfilment of export obligation from the date to be notified.

Capital for Karnataka State Undertakings Through Public Bonds

5938. SHRI V. SREENIVASA PRASAD:
SHRI C.P. MUDALAGIRI-YAPPA:

Will the Minister of FINANCE be pleased to state:

(a) whether Union Government have received any request from the Government of Karnataka for permission to the State Public Undertaking to raise capital from the market through bonds; and

(b) if so, the decision taken in the matter?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) Yes; Sir.

(b) The present scheme of Public Sector Bonds is confined to Central Sector Undertakings.

Drive Against Black Money

5939. SHRI CHITTA BASU: Will the Minister of FINANCE be pleased to refer to the reply given on 16th march, 1990 to Unstarred Question No. 806 regarding drive against black money and state the outcome of measures taken recently by Government to unearth black money?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): Unearthing black money generated through tax-evasion is a continuous process. For unearthing unaccounted income and wealth, the Income-tax

Department takes various measures which includes search and seizure operations in appropriate cases. During the financial year 1989-90, 3984 searches were conducted which resulted in the seizure of prima-facie unaccounted assets of Rs. 128.02 crores. The amount of concealed income surrendered in the course of searches was Rs. 193.44 crores.

Besides for curbing the generation and investment of unaccounted money in the immovable property, 157 orders for purchase of immovable properties with an aggregate apparent consideration of Rs. 64.99 crores; have been made by the Appropriate Authorities appointed under Chapter XXC of the Income-tax Act, which empowers the Central Government with a preemptive right to purchase immovable properties in certain notified cities.

Seized Goods at Trivandrum Airport

5940. SHRI T. BASHEER: Will the Minister of FINANCE be pleased to state:

(a) the details of goods seized from the passengers at Trivandrum Airport during 1989 and so far;

(b) the amount realised by sale of confiscated items during the above period; and

(c) the value of goods lying undisposed?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b). The value of the contraband goods seized by the Customs authorities from the passengers at Trivandrum Airport during 1989 and during the current year upto 31st march, 1990 and the amount realised by sale of confiscated goods during this period are given in the table below: