

Frivolous Imports

1641. SHRI MADHAVRAO SCINDIA: Will the Minister of COMMERCE be pleased to state:

(a) whether attention of Government has been drawn to the news item captioned "Frivolous Imports" appearing in the English 'Blitz' dated 7 July, 1990 giving a list of 185 products, which cannot be regarded as essential and are available in surplus quantities in the country but have been allowed to be imported by Government;

(b) whether the import of aforesaid items is an unnecessary expenditure of foreign exchange; and

(c) if so, the reasons for permitting these imports?

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU): (a) to (c) Yes, Sir. Under the current Import Policy, import of only those items is allowed which are not available indigenously or if available, the quantities are insufficient to meet the domestic demand. Some imports of indigenously available items are sometimes permitted to upgrade technology and modernise industry. Also, some imports become necessary for providing inputs for exports at internationally competitive prices. However, it is Government's clear objective to promote self-reliance and, therefore, maximum emphasis is being placed on import substitution.

Setting up of a Bench of Bombay High Court at Pune

1642. DR. DAULATRAO SONUJI AHER: Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether Government have received any proposal from Maharashtra Government for the establishment of a bench of Bombay High Court at Pune;

(b) if so, the details thereof and the action taken by Government in this regard; and

(c) the time by which the bench is likely to be established?

THE MINISTER OF STEEL & MINES AND MINISTER OF LAW & JUSTICE (SHRI DINESH GO-SWAMI): (a) No, Sir.

(b) and (c) Do not arise.

Regarding Revenue Collection

1643. SHRI MADAN LAL KHURANA: Will the Minister of FINANCE be pleased to state:

(a) whether his Ministry has estimated the revenue collection that will be available on account of the retrospectivity to the amendment to Section 28 of the Income Tax Act and its usefulness with reference to the need to assist the exporters for their requirements of capital funds at cheaper rates instead of draining of their capital through such measures; and

(b) if so, the estimated figure and its value to the exchequer vis-a-vis the drainage of capital of the exporters?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) The amendments made to section 28 of the Income-tax Act were intended to clarify the existing legislative intention regarding the taxability of export incentives as revenue receipts. The Department's view has all along been that cash compensatory support, duty drawback and sale proceeds from import entitlement licences received by an exporter is taxable in his hand. Since this was only a clarificatory amendment and was not intended to raise additional revenue, no estimate of revenue collection was necessary or made. Since the Department has throughout been treating export incentives as taxable, the