

cedure already. But some people do not want to understand it. In such cases, we have been telling them that we are prepared ...*(Interruptions)*.

**PROF. MADHU DANDAVATE :** You are contradicting your Cabinet Minister. He had admitted last time that some more details are to be worked out. He told me. Why do you contradict your own Minister ?

**SHRI JANARDHANA POOJARY :** I am not contradicting. What I am just telling you is because you have stated that I have not done my home work. I am just telling you that everything is known to everybody. Some people do not want to understand it with some purpose to defraud tax payment. Now, that is not possible. This is the procedure, where we can see that the duty and income tax and other tax is paid. Here, it is a method for an honest tax payer. Automatically, there will be a credit, there will be no difficulty for him. That is the method adopted. So, there is no ambiguity.

**PROF. MADHU DANDAVATE :** Please protect me, Sir. I have asked a concrete question. This is like one by-product becoming an input for the next one. Please explain that, Mr. Minister.

**MR. DEPUTY-SPEAKER :** Wait, wait. You have now asked the last supplementary. No more supplementaries now.

**SHRI JANARDHANA POOJARY :** Sir, here MODVAT is applicable. When the duty has been paid, here also for that buyer also, this MODVAT is applicable. There are also arrangements for this.

**MR. DEPUTY-SPEAKER :** Nobody is putting questions. Professor, thank you.

**PROF. MADHU DANDAVATE :** You may put some supplementary from the Chair.

**MR. DEPUTY-SPEAKER :** On behalf of me you put all the questions. Now, next question. Shri Kali Prasad Pandey. The hon. Member is absent.

Prof. K. V. Thomas.

'Tube Money' from Indians Abroad.

\*661. **PROF. K. V. THOMAS :** Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that some Indians abroad are sending money to India in the form of 'tube money';

(b) the amount of money that arrives in India in this form; and

(c) the effective steps taken to prevent it ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) to (c). A statement is given below.

**Statement**

(a) Yes, Sir.

(b) No precise estimate of illegal remittances are available with the Government.

(c) The Foreign Exchange Regulation Act contains adequate provisions to deal with persons who make or receive such unauthorised compensatory payments. The Enforcement Directorate, which remain vigilant in this regard, have detected a number of cases of such unauthorised transactions and have taken/are taking appropriate action under the Foreign Exchange Regulation Act and also for preventive detention under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act. The drive against such unauthorised transactions is a continuous process and the matter is constantly kept under review for taking appropriate measures for curbing the same. However, the Government of India have devised various schemes to encourage flow of funds from non-resident Indians through normal banking channel.

**PROF. K. V. THOMAS :** When we go through the answer given by the hon. Minister, it is very clear that the Government

has taken no serious note about this problem. Sir, this tube money is one of the sources which is helping the black marketeers. The answer given says, that the Government does not have any precise estimate illegal remittances. The Government does not know how many cases are being taken up. So, my humble request is some seriousness should be given to this problem.

My question is that Indians abroad, a very large number of them, are doing hard work, earning their money. But when they want to come over here, or when they want to send their money to their relatives here, there is no incentive being given. That is why, the foreign exchange they earn there is being given to the agents of the tube money, because they get three fold or four fold. So my request is whether more incentives will be given to Indians abroad, who are earning a very decent wage.

**SHRI JANARDHANA POOJARY :** It is true that our brothers and sisters who are working abroad are making remittances and also that they are earning foreign exchange and thereby they are helping the economic development of the country. Sir, now steps are being taken. We know about difficulties faced by non-resident, Indians, when they send their remittances here. What is happening is, one name is given in Kerala to this, that is 'tube money' and in Bombay they call it 'Hawala transaction'. What happens is that, if the man wants to send any money or make some remittance, then he has to approach some racketeers and he has to give some money to them.

**MR. DEPUTY-SPEAKER :** Yes, they get money.

**SHRI JANARDHANA POOJARY :** Then that payee will be given money and these transactions are going on.

The hon. Member will be pleased to see that the Government has given incentives and also taken some steps to protect the non-residents. There is a scheme, Foreign Inward Remittances Payment System, FIRPS, for quick transmission of money, and the money received from abroad is sent here. By introducing this system,

any Indian bank, which receives money from non-resident Indians, they can arrange to send from the bank abroad—their own branch—they will immediately make a payment order and this order will be issued to their counter-part in any part of the country. And the payment will be paid by any bank—not their own bank—they can approach any bank and any branch and it will be encashed. The incentives are priority allotments to non-resident Indians in respect of tractors, scooters, residential flats and house sites; opening of accounts in Indian banks authorised to deal in foreign exchange by non-residents provided the initial deposit is received in convertible foreign currency from abroad through proper channel; exemption of income-tax on deposits in non-resident account in Indian companies; Opening of a special non-resident account either in rupees or foreign currencies by transferring funds through banking channels with freedom to repatriate both the interest and the deposits without the permission of the Reserve Bank; exemption of non-resident balances from Wealth Tax; freedom to purchase certain securities such as UTI, National Savings certificates by remittances.

**SHRI P. C. SETHI :** When this is such a long reply, why not lay it on the Table ?

**SHRI JANARDHANA POOJARY :** I am prepared to lay it on the Table.

**MR. DEPUTY-SPEAKER :** You lay it on the Table.

**PROF. K. V. THOMAS :** I was asking the Minister as to what incentives will be given to the Indians abroad. Now the problem is that Indians abroad remit through the banks and they are given Indian currency on the basis of exchange rate...

**MR. DEPUTY-SPEAKER :** He has mentioned so many incentives.

**PROF. K. V. THOMAS :** My second question is : When Indians go abroad, they are given a small pocket money. What do they do is that they given Indian money to the agent here and they get foreign exchange there. Now, the official rate of the dollar is Rs. 12/- But they have to pay Rs. 20/.

to the agent here in exchange of one dollar abroad. Will the Government enhance this amount for the Indians who are going abroad ?

**SHRI JANARDHANA POOJARY :** You know the difficulty of foreign exchange. We have to preserve foreign exchange for developmental activities and for so many other things. In this context, I would request the hon. Member to think and consider about that aspect.

Since he has made some suggestion, I will look into it.

**SHRI SURESH KURUP :** Foreign unauthorised money is coming in so many ways to our country. Recently, two Kuwaiti nationals, whose entry has been banned in this country, brought with them 18 boxes containing foreign money. They were allowed to take these boxes out of the airport without clearance. It has come out in the papers.

**MR. DEPUTY-SPEAKER :** If you want any Government scheme to help the Indians abroad, you ask that.

**SHRI SURESH KURUP :** They gave money to so many organisations and individuals in Kerala.

**MR. DEPUTY-SPEAKER :** I do not want such kind of statements. You put a separate question for that.

**SHRI SURESH KURUP :** I want to know whether it has come to the notice of the Government that 18 boxes were allowed to be take but of the airport without clearance by the Customs authorities; if so, what action Government proposes to take against those officials who allowed these boxes to take out of the airport ?

**MR. DEPUTY-SPEAKER :** If you want to make any suggestion you do so. Why are you bringing in other cases ?

**SHRI SURESH KURUP :** The Minister also knows about that. 18 boxes were allowed to be taken out of the airport without clearance of the customs. This is

what the newspaper reports say...*(Interruptions)*

**MR. DEPUTY-SPEAKER :** This kind of thing I will not allow. I will not allow this supplementary.

**SHRI SURESH KURUP :** The Minister is ready to reply. you please allow him to reply.

**MR. DEPUTY-SPEAKER :** No, it is not relevant to this. You can put a separate question for that. We will see whether it is admissible.

**SHRI SURESH KURUP :** The Minister is ready, Sir. You please ask him to reply...*(Interruptions)*

**MR. DEPUTY-SPEAKER :** This is entirely a different question...

*(Interruptions)*

**MR. DEPUTY-SPEAKER :** You take your seat. I am not allowing...

*(Interruptions)*

**SHRI SURESH KURUP :** He is ready, Sir

**MR. DEPUTY SPEAKER :** I do not know whether he is ready or not. I am not allowing this supplementary...

*(Interruptions)*

**MR. DEPUY SPEAKER :** Please take your seat. I will not allow.

**SHRI G. G. SWELL :** Sir, I would like to draw the Minister's attention that the problem here, as far as I can see, is the rate of exchange. I would like to know whether he has made an assesment as to how much foreign exchange is expected into the country from Indian workers abroad. He must have some idea about it as to how much of that money has come through official channel and how much has not, and what is the non-official or the tube money rate of exchange prevailing in the country today.

**PROF. MADHU DANDAVATE :** Today one racket has been exposed.

**SHRI JANARDHANA POOJARY :** Sir, here I must give the correct figures and I must give it precisely also. So, that figure is not available... (*Interruptions*).

**SHRI G. G. SWELL :** He should know. He should keep his eyes open.

**SHRI JANARDHANA POOJARY :** I cannot guess and that is why I am the hon. Member that we do not have the correct figure. So far as the question as to what is the amount that is coming as a tube money is concerned, we do not have the precise figure regarding that also.

**Incentives to Indian Tea Exporters to Prevent Hold of International Monopoly Houses**

\*663 **SHRI CHIRANJI LAL SHARMA :** Will the Minister of COMMERCE be please to state :

(a) whether it is a fact that a few international monopoly houses are likely to bring a hold on the Tea trade; and

(b) if so, the steps taken or proposed to be taken to give incentives to the Indian exporters ?

**THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND IN THE DEPARTMENTS OF OCEAN DEVELOPMENT ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI SHIVRAJ V. PATIL) :** (a) No, Sir.

(b) Does not arise.

**AN HON. MEMBER :** Sir, how is he answering questions for the Commerce Minister ?

(*Interruptions*)

**MR. DEPUTY SPEAKER :** He is the in-charge. He has already sought the permission to answer it. On behalf of the Commerce Minister he is answering.

**PROF. MADHU DANDAVATE :** No change of portfolio,

**SHRI CHIRANJI LAL SHARMA :** Sir, will the hon. Minister kindly let the House know as to how many international monopoly houses are engaged in the tea trade in India and since when, and do they own their own tea gardens, and if so, where ?

**SHRI SHIVRAJ V. PATIL :** Sir, there were international companies which were called Sterling Companies. Then it was decided that the equity should be reduced to 76 per cent and many of them have reduced their equity. There are two big international companies which are engaged in export of tea. One is Lipton and the second is Brooke Bond. The acreage of land with the foreign companies is in the vicinity of 1.20 lakh hectares out of the total tea area of 3.96 lakh hectares, and they are engaged in the export of tea.

**SHRI CHIRANJI LAL SHARMA :** Sir, may I ask the hon. Minister as to how many Indians are exporting tea, in how much quantity, to which countries and how much foreign exchange do they earn, and whether for this export, the Government of India is giving any incentive to them ?

**SHRI SHIVRAJ V. PATIL :** Sir, the hon. Member is asking for the statistics which I could have given in writing to him. But I would say that about 14 per cent of the export is done by the foreign companies and the rest of the export is done by the Indian companies. Tea goes to different countries. It goes to U. K., it goes to Germany, it goes to U.S.S.R. and it goes to other countries also. As to the exact amount of money we are earning from this, I will give him in writing.

**SHRI CHIRANJI LAL SHARMA :** Sir, I request that the hon. Minister may kindly send this information to me.

**SHRI AMAR ROY PRADHAN :** Before I ask a question regarding trade of tea, I would like to say something regarding production. You know that the Darjeeling Tea production is 12 to 13 thousand million KG in an average per year. About one lakh million KG, in the name of the Darjeeling Tea, is sold in the market and this is mainly done by two companies,