

**Clearance of Cargo at Airports**

970. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of FINANCE be pleased to state:

(a) the details of the new rules framed on cargo clearance at the airports; and

(b) the effective steps taken to reduce the time taken in cargo clearance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR - M. R. JANARTHANAN): (a) and (b) No new rules have been framed for clearance of cargo at Airports. However, a number of instructions have been issued and steps taken for expediting cargo clearance at the air cargo complexes of international airports. These include increased two-shift working hours, reduced and selective examinations of import/export cargo before clearance, complete exemption of perishable export cargo from routine customs examination, and retention of only selected few packages in the examination area and allowing movement of the rest to Bonded area. Fast Track Clearance Scheme has also been introduced which allows selected importers to clear their goods on self-assessment basis without physical examination of the said goods at the ports/airports.

EDI system of processing -f import and export documents has been introduced at number of major Custom Houses and Cargo Complexes.

A special procedure has been adopted to clear unclaimed and uncleared cargo from ports/airports to free more operational area for expeditious movement of cargo. In addition, importers have been allowed to file and process their documents one month before the arrival of the vessel or aircraft.

**Negative Impact of Mandatory Quotation of Pan**

971. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that w.e.f. 1st November, 1998 quoting of Permanent Account Number (PAN) has been made mandatory with regard to certain transactions like opening of Bank or Post Office savings bank accounts exceeding Rs. 50,000/-, sale or purchase of immovable property exceeding Rs. 5 lakhs or sale or purchase of a motor vehicle;

(b) if so, the reasons therefor; and

(c) whether Government are aware of the negative impact of this step on the economic activity especially when industrial and capital market continues to be depressed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): (a) Quoting of Permanent Account Number (PAN) or General Index Register Number (GIR No.) is necessary in certain specified transactions w.e.f. 1st November, 1998. However, a person who does not have either PAN or GIR No. may file a simple declaration if he is making payment for these transactions in cash or otherwise than by crossed cheque or crossed draft.

(b) The requirement to quote PAN or GIR No. is a major initiative taken by the Government to curb tax evasion. These provisions are expected to prove a deterrent against unchecked use of unaccounted money in high value transactions by persons without identifying themselves. By compelling persons to report such transactions and state their true income, this step will help in increasing the tax collection and also in widening the tax base.

(c) Non-availability of PAN or GIR No. does not have the effect of stopping the transaction from taking place. A person not having either PAN or GIR No. has just to file a simple declaration and that too only if he is making payment in cash or otherwise than by crossed cheque or crossed bank draft. Therefore the provision is not at all likely to have any negative impact on the economic activity.

#### **Income Tax Arrears**

972. SHRI K.M. SAIFULLAH:  
SHRI SOLIPETA RAMA  
CHANDRA REDDY:

Will the Minister of FINANCE be please state:

(a) the expected total income tax arrears in the country during the current financial year and number of cases pending in the court;

(b) the measures taken to reduce the number of pending litigations; and

(c) the action proposed to expedite the realisation of these arrears?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHA-NAN):

(a) The total expected income tax arrears during the current financial year cannot be estimated as such. However, the total arrear demand of Income Tax and Corporate Tax as on 31.3.98 is Rs. 45073.39 crores and the total outstanding demand as on 30th September, 98 is Rs. 37796.29 crores. As on 31.3.98, the number of cases pending in High Courts and Supreme Court are 54396 and 7788 respectively.

(b) The measures taken to reduce the number of pending litigations include bunching of cases in Supreme Court and High Courts for early hearing, meeting with concerned Chief Justices for expediting the disposal of cases, the Kar Vivad Samadhan Scheme etc.

(c) Apart from normal statutory process of recovery, the Department is constantly monitoring the progress in Dossier cases involving high demands. A Task Force has been constituted to strictly monitor revenue collection. Computerisation of Arrear Demand Registers will also boost up collection in respect of smaller demands. It is expected that the total outstanding arrear demand as on 31.3.99 will be lower than the outstanding arrear demand on 31.3.98 because of 'Kar Vivad Samadhan Scheme' and recovery measures being taken all over the country.

#### **Minority foreign equity stake in insurance sector**

973. SHRI JANARDHANA POO-JARI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken any decision to grant permission for minority foreign equity stake in insurance sector; if so, the details thereof; and

(b) if not, the reason for the delay?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARATHA-NAN):  
(a) and (b) The Finance Minister in his 1998-99 Budget Speech announced that insurance sector will be opened to competition from private Indian companies. Such Indian companies will include joint-ventures also. Necessary legislation in the matter will be introduced shortly.

#### **Extents of NPAS and Losses for Public Sector Banks**

974. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether any study has been made to find out the extent of Non-performing Assets (NPAs) and losses of public sector banks;

(b) if so, how much is the amount involved bank-wise and what is the per-