

when the hon. Prime Minister has visited the site, once again I will look into it and do the best possible from my side.

SHRI VIZOL: If extension is not possible, we will go in for another new site for the airport.

SHRI CM. IBRAHIM: We will see. If this length is not possible, if the demand of passengers is there, if the inflow of traffic is more, at that time, we can look into it.

DR. KARAN SINGH: Mr. Chairman, Sir, I congratulate the Minister on having included Jammu for upgradation for domestic operation as well as night-landing. But Srinagar is conspicuous by its absence in this entire list. With so many dozens of airports listed, why have you omitted Srinagar which is a very, very critical airport and where we need 1000 ft. of extra runway to enable the Boeing to land? It is a commitment which has been made by successive Prime Ministers that Srinagar is going to be extended for possible international operations. But I find that in this list it is not mentioned. Would the hon. Minister clarify the position?

SHRI CM. IBRAHIM: I fully agree with hon. Member, Dr. Karan Singhji. The Srinagar Airport is, at present, with the Defence. Now, I have asked my Department Secretary to have a discussion with the Defence authorities. Not only that. I want that Kashmir should have an international airport. It will give a good message to the entire international community that Kashmir is a part of India. In this process, I hope I will get all the* cooperation from hon. Members. Also, recently, I have received a letter from the hon. Chief Minister of Jammu and Kashmir, Dr. Farooq Abdullah with a request to upgrade the Srinagar Airport and to declare it as in international airport. He has also requested that the Srinagar Airport be named after Dr. Sheikh Abdullah. All these things are under the consideration of the Government of India. I have already taken up the matter with the Defence Ministry.

MR. CHAIRMAN: Question No. 42.

Comparative Figures of Excise Revenue Collection

*42 SHRI RAJUBHAI A. PARMAR:†
SHRI SUSHIL KUMAR
SAMBHAJIRAO SHINDE:

Will the Minister of FINANCE be pleased to state:

(a) the excise revenue collected and the extent of revenue collected as arrears of dues for the previous years during 1996-97 so far, and the comparative figures for 1994-95 and 1995-96;

(b) how much of the excise revenue collection is locked up in litigation; and

(c) how much of the excise dues are estimated to have been lost due to under-invoicing of production in connivance with officials concerned; and how many such cases of under invoicing have been detected this year indicating the amount of excise duty involved therein?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) A statement is laid on the Table of the House.

Statement

The amount of Central Excise duty collected during 1994-95, 1995-96 and 1996-97 upto 31.1.197) is asunder:—

Year	Excise Revenue* (Rs. in Crores)
1994-95	37467
1995-96	40785 (Prov.)
1996-97 (upto 31.1.197)	36085 (Prov.)

*(Exclusive of cesses not administered by Department of Revenue).

The amounts realised as Central Excise arrears during 1994-95, 1995-96 and 1996-97 (upto 1.10.96) are approx. Rs 242.82 Crores, Rs. 351.12 Crores and Rs. 247.63 Crores respectively.

The amount of Central Excise revenue locked up in litigation before Supreme Court, High Courts, Customs Excise & Gold (Control) Appellate Tribunal as on 31.10.96 was

† The question was actually asked on the floor of the House by Shri Rajubhai A. Parmar.

Rs. 4391.36 crores. In four cases, against one assessee, involving duty evasion of Rs. 41.55 crores, the involvement of officers is suspected. These are under investigation.

SHRI RAJUBHAI A. PARMAR: Thank you, Mr. Chairman. Excise duty evasion seems to have assumed serious proportions. A closer look at the operation of manufacturing units and excise duty collection would show a large chunk of unaccounted production and enormous amount of excise duty evasion. When one goes out to purchase and manufactured goods, one would find two prices in the market; one with proper billing and cash memo and the other without cash memo. This obviously shows a parallel black market with enormous unaccounted production with an excessive damage to excise revenue. Reports suggest that over 60 per cent of the Central Excise evasion detected is on account of the unreported production, the rest of the evasion being due to under-invoicing. Sir, may I know from the Minister the Government's assessment about the total Central Excise evasion as a percentage of the total production? How much of it is due to the unreported production and how much is due to the under-invoicing? How many cases of evasion on unreported production have come to the notice of the Government this year and the total amount of excise found to have been evaded thereby. Thank you.

SHRI M.P. VEERENDRA KUMAR: A question regarding evasion in terms of rupee value has not been specifically put. I am coming to the collection part of it. As far as excise duty is concerned, the evasion is due to ...*(Interruptions)*...A lot of cases are pending.

MR. CHAIRMAN : Please speak a little louder.

SHRI M.P. VEERENDRA KUMAR: A lot of cases are pending. I will give a summary of that. 2557 cases have been pending in the Supreme Court and no decision has been taken in respect of these cases. In High Courts, 4004 cases have been pending. *(Interruptions)*

SHRI AJIT P.K. JOGI: That is a separate question.

SHRI M.P. VEERENDRA KUMAR: No, I am coming to that. RS. 4,391 crores could not be collected. *(Interruptions)*

SHRI SATISH AGARWAL: That is not the question.

SHRI RAJUBHAI A. PARMAR: Sir, I wanted to know as to what the Government assessment about the total Central Excise evasion as percentage of total production is. How much of it is due to unreported production and how much of it is due to under-invoicing? This is my question.

SHRI M.P. VEERENDRA KUMAR : Regarding the terms of collection, the total collection of excise...

SHRI NARENDRA MOHAN: That is not the question.

MR. CHAIRMAN: The hon. Member wants to know about the total loss of revenue as a percentage of production.

SHRI PRANAB MUKHERJEE: It is his maiden speech. Don't disturb him.

SHRI M.P. VEERENDRA KUMAR: I am coming to that. Up to 31.12.96, it was Rs. 3,715 crores. The number of cases were 5,376 and the amount involved was Rs. 721.24 crores. During 1993-94, the number of cases were 5,286 and the amount involved was Rs. 911.86 crores.

SHRI AJIT P.K. JOGI: Sir, the reply of the Minister is totally irrelevant.

SHRI TRITLOKI NATH CHATURVEDI: Sir, let this question be postponed. This may be taken up later on when the Minister is better prepared so that he can answer it properly. *(Interruptions)*. If it is a maiden reply, then it is all right. *(Interruptions)*

SHRI AJIT P.K. JOGI: The Finance Minister is here.

SHRIMATI RENUKA CHOWDHURY: Please give him a chance to reply.

MR. CHAIRMAN: The Finance Minister is not in a position to physically reply. *(Interruptions)* Well, if you can keep quiet, maybe, he will say something. *(Interruptions)* Silence please.

SHRI M.P. VEERENDRA KUMAR: The hon. Member has put a question regarding evasion of excise duty. Right. He said that

60 per cent of it is being evaded. That is not correct. Our collection is 11.2 per cent. It was 8.2 per cent before. (*Interruptions*)

PROF. RAM KAPSE: Sir, the question put by the hon. Member is a specific question. The Finance Minister is present. He can reply to that.

MR. CHAIRMAN: He is not in a position to reply. (*Interruptions*) He is not well.

SHRI AJIT PK. JOGI: He is speaking, Sir.

THE MINISTER OF FINANCE (SHRI P CHIDAMBARAM): Sir, the total amounts which have been detected as anti-evasion are: 1992-93 - Rs. 721.24 crores; 1993-94 - Rs. 911.36 crores; 1994-95 -Rs. 1,386.03 crores; 1995-96 - Rs. 1,236.27 crores and 1996-97 (up to October 1996) -Rs. 5,038.33 crores. If you take annual collection of excise in 1994-95, Rs. 37,467 crores, evasion as a percentage of excise is approximately three to four per cent. If you take 1995-96, the collection is Rs. 40,785 crores and evasion as a percentage of excise is approximately two-and-a-half to three per cent.

MR. CHAIRMAN: Second supplementary.

SHRI RAJUBHAI A. PARMAR: Thank you very much, Sir. It is seen that 80 per cent of the excise duties is collected from a handful of industrial groups and the rest 20 per cent is collected from the remaining majority of producers. Most of the manufacturers prefer going in for litigation, keeping enormous amounts of excise duties payable locked up in prolonged litigation. If you look at the figures provided by the Ministry, you will find that "the amount of Central Excise revenue locked up in litigation before the Supreme Court, High Courts, Customs, Excise & Gold (Control) Appellate Tribunal as on 31.10.96 was Rs. 4,391.36 crores. In four cases, against one assessee, involving duty evasion of Rs. 41.55 crores, the involvement of officers is suspected." Therefore, I want to know whether the Government are thinking of taking emergent steps to speed up litigation by setting up special courts for the purpose and also for providing deterrents against prolonging litigation, by way of increasing excise duties in proportion to the length of period in the settlement of cases and by putting curbs on appeals and further appeals,

and whether the Government are also thinking of making excise evasion a criminal offence.

SHRI M.P. VEERENDRA KUMAR: I am sorry, I could not comprehend the sum and substance of the first question. Regarding the excise duties, there are two types of things. One is inspectable and the other is not inspectable. And there are cases where so many companies are involved, and there is a long list; if you want, I can give. Action has been initiated by the Department—I can give you some figures now because investigation is going on—on 9 Superintendents and 32 Inspectors. And this we have begun to do. But we have to make a difference. When we talk of excise, the whole products have to be taken as one basket. Cigarette is the only commodity which could be inspected; only then it can go up. Other commodities are self-contained. So wherever we have detected that these Inspectors are involved, —we have information about it— these Inspectors are involved because they have a directive to check it. Unless they check it, the goods cannot go out. Underinvoicing and all sorts of issues come up when the goods go out. Here, they have to check and then only they go out. And in regard to cigarette, this checking is possible, it has to be done, and we have a report that there was some collusion at the floor level and at some other levels also. As of now, investigations are going on. Regarding one of the companies, we have said that an evasion of Rs. 41.5 crores or Rs. 42 crores was found. That is being looked into. Besides that, we are now in the process of initiating action. So, all cases are now being looked into and notices are being sent. We are in the know of the whole thing.

SHRI RAJUBHAI A. PARMAR: Sir, I want to know about the special courts to be set up for settlement of litigation. That was not answered.

SHRI M.P. VEERENDRA KUMAR: Sir, it is a suggestion made by the hon. Member. It is a matter for consideration. We will consider it.

MR. CHAIRMAN: Shri Sushilkumar Shinde. Not here. Shri N.K.P. Salve.

SHRI N.K.P. SALVE: Sir, the question of the hon. Member was, "What is the total

evasion?". The Finance Minister gave only the detected evasion. What about the evasion which is not detected? That was the question. That was the question which he was trying to answer. At any rate, my real grievance is this. The question is regarding the excise revenue collected and the extent of arrears of excise revenue collected so far in the year 1996-97 and the comparative figures for 1994-95 and 1995-96. The revenue collected in 1994-95 and 1995-96 is not the same for the same period. How can we compare? You look at the figures given. Can he give us the figures for ten months in 1994-95 and 1995-96 so that we can base our question accordingly?

SHRI P. CHIDAMBARAM: Sir, if the hon. Member waits for another five days, he will have the complete figures. But since he wants a preview into the Budget, I am unable to oblige him except to say that the increase in Central excise collection this year over the corresponding period last year is 11.28%. Please wait for another five days.

SHRI N.K.P. SALVE: We will hold on, Sir.

SHRIMATI MARGARET ALVA: Sir, besides the question of evasion, a large amount is due to Government under the summary assessment which is done for excise. If this is used as a ruse by most of the companies not to pay the assessed amount immediately in one way or the other, the goods are allowed to go with some bond which is never executed, which never becomes a reality. As far as collection is concerned, huge amounts under summary assessment are kept pending because of some effort or the other to help some company or the other. Big multinationals owe the Government crores of rupees under the summary assessment. I would, therefore, like to know from the Minister whether he has got the figures about the actual amounts which are yet to be collected under the summary assessment scheme.

SHRI P. CHIDAMBARAM: Sir, I am afraid the hon. Member's statement is not quite correct. There are only two methods of assessment under Excise Act. One is the self removal procedure and the other is as in the case of cigarette which is under physical control. There is no procedure for summary assessment under the Excise Act.

SHRI R.K. KUMAR: Sir, recently there are reports that massive double advantage is taken by the exporters under VAB AL and MOD VAT schemes where they are allowed to import duty-free material for manufacturing goods for exports. By statutory notification 203 of 1992 they were directed not to take MOD VAT credit. If they take MODVAT credit, it has to be considered as misdeclaration and duty has to be collected.

There are reports that Rs. 6,000 crores to Rs. 25,000 crores are involved in this double advantage. Is it a fact that the Central Board of Excise and Customs has issued an amnesty scheme whereby these people have been allowed to reverse MODVAT credit by paying only 20 per cent interest? If so, what are the figures of a voidance if a duty has been collected for misdeclaration? What is the actual amount of reversal of MODVAT credit? What is the interest collected so far?

SHRI P. CHIDAMBARAM: Mr. Chairman, Sir, this question requires a separate notice. But I will answer the policy part of it. I cannot give him the figures.

SHRIMATI MARGARET ALVA: I can give the figure. The amount is Rs. 8,000 crores.

SHRI P. CHIDAMBARAM: It is a complete exaggeration. There are a few industries which have not reversed MODVAT credit because they produce for the domestic market as well as exports. The Department of Excise and the Department of Customs are to collect revenue, not to engage themselves in endless litigation. What has been done, therefore, is they have been given an option to reverse the MODVAT credit on payment of 20 per cent interest from the date when it was originally due. Therefore, there is no loss to the Government. When the matter came up before the Supreme Court, in the Vishakapatnam Steel Plant case the Supreme Court found that it was perfectly justified. Therefore, the Supreme Court dismissed that case. We will collect every rupee which ought to have been reversed under MODVAT credit. Those who have not reversed it before the 31 st January, a penal action is being taken against those defaulters.

SHRI R.K. KUMAR: Duties are being levied, redemption fines are being levied and

personal penalties are being levied. Here is a deliberate attempt of reversal and he is saying that it is only 20 per cent interest.

Distribution of Mosquito Nets in Malaria Prone Areas

*43. SHRI YERRA NARAYANASWAMY: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether Government have a programme to distribute mosquito nets in malaria and other mosquito induced sickness areas;

(b) if so, what are the details of this scheme;

(c) the funds spent on this scheme during the 8th Plan; and

(d) the States which have benefited from this scheme?

THE MINISTER OF STATE OF THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI SALEEM IQBAL SHERVANI): (a) and (b) Under the National Malaria Eradication Programme, one lakh five thousand medicated mosquito nets were procured on a pilot basis during 1995-96 for distribution to identified malaria prone areas. The pilot project was undertaken to determine the efficacy and replicability of this strategy based on promotion of personal protection.

(c) Rs. 1.48 crores have been spent for procurement of the Mosquito Nets and the Synthetic Pyrethroid for impregnation during 1995-96.

(d) The Medicated Mosquito Nets were supplied to the 7 North Eastern States namely Assam, Arunachal Pradesh, Meghalaya, Mizoram, Manipur, Tripura, Nagaland and parts of Maharashtra on a pilot basis.

SHRI YERRA NARAYANASWAMY: Mr. Chairman, Sir, though the Government has declared that malaria was eradicated a few years ago, throughout the country. It is a fact that malaria has surfaced with a vengeance. But the poor people are suffering from malaria in rural areas and in slums in urban areas. The Indian Council of Medical Research recently came out with the view that the effort to control malaria and mosquito related diseases has been a failure. Recently more than 600 people died due to dengue fever in Delhi and other parts of

the country. I would like to know whether this scheme of supplying mosquito nets to malaria affected areas would be implemented in the coastal districts of Andhra Pradesh.

SHRI SALEEM IQBAL SHERVANI: Sir, basically, Andhra Pradesh has not been covered because we did a very small pilot study. The initial reports that have come to us on the mosquito nets have been very, very encouraging. People have been using these nets and response to mosquito nets has been very good. We are ordering another 50,000 mosquito nets. The order would be placed in one or two weeks. This will also be done on a trial basis because there are certain problems. We have not been able to get complete reports because of the inaccessibility to these areas. We have taken the help of a private organisation which would do a study on how much effective these nets are. The World Bank has also been insisting on us to use these nets. So, we will work out the total programme after we get this report. As far as coastal areas of Andhra Pradesh are concerned.

We can include them in the pilot project that we are doing with these 50,000 nets. We can certainly take care of that. The hon. Member mentioned about dengue fever in Delhi. I would like to tell the hon. member through you, Mr. Chairman, Sir, that we have learnt our lesson. A surveillance network should have been there. But it was not there. In the meetings of the Central Council of Health and Family Welfare on 8th, 9th and 10th of January, we took a decision that we will have a surveillance calendar which will not only cover malaria, but will also cover kala-azar, Japanese encephalitis, as well as dengue. Every month a programme will be chalked out as to what we have to do in the month, what the States have to do and how it will be coordinated so that we become aware of it. We have adopted this surveillance system. We have started monitoring it. I can assure the House that we will be prepared for any emergency because of this surveillance network.

SHRI YERRA NARAYANASWAMY: The 'a' part of my supplementary is: whether it is a fact that mosquitoes are becoming immun to insecticides like DDT and Malathion. What steps is the Government going to take to