

1,37,874 and 64,460 crore respectively, while the revised targets for the year 2008-09 for Customs duty, Central Excise and Service Tax were fixed as Rs. 1,08,000 crore, Rs. 1,08,359 crore and Rs. 65,000 crore respectively which added upto Rs. 2,81,359 crore.

(b) and (c) Yes, Madam, In the Financial Year 2008-09 an amount of Rs. 3,38,212 crore was collected against the Revised Estimate of Rs. 3,45,000 crore on the Direct taxes side. Thus there was shortfall of Rs. 6788 crore in collection of Direct Taxes. The shortfall was primarily on account of economic slowdown resulting from the global financial meltdown and consequent economic recession in developed economies. The economic slowdown dented the profits of companies and also resulted in lesser salary payouts, resulting in decrease in collection in Corporate Tax and personal Income tax. The stock market also remained subdued which impacted the collection of Securities Transaction Tax. Therefore, Direct taxes collection was below the Revised Estimate.

In Indirect Taxes, in the first half of 2008-09, the economy came under severe inflationary pressures. With a view to augment supply of essential items, the rates of basic Customs duty were reduced. By the middle of 2008-09, as the signs of economic slowdown became apparent, Government announced a series of stimulus packages in the form of reduction in Excise duty and Service tax rates to revive the economy. On 7th December, 2008, the Central Excise duty (and also CVD) was reduced by four percentage points across the board on non-petroleum items. Further on 24th February, 2009, the rate of Central Excise (and also CVD) on items attracting 10% of excise were reduced by two percentage point. The rate of Service tax was also reduced from 12% to 10% across the board on the same day. Further, the overall global economic meltdown affected the domestic economy both by way of reduced domestic production of goods and by way of reduced imports and led to reduced collection of Customs duty, Central Excise duty and Service tax.

Measures to curb illegal poppy cultivation

3371. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India is one of the world's major illicit opium and poppy drug producing and transit country;

(b) if so, the details thereof; and

(c) the strong counter-narcotics measures and efforts taken to curb illegal production?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No, Sir. The World Drug Report, 2009 published by the UN Office on Drugs and Crime highlights only Afghanistan, Myanmar and Lao PDR as the major illicit opium cultivating countries. However, the US Government has its own method of determining

major illicit drug producing and/or drug transit countries. It has listed 20 countries including India in this category.

(c) The Government has taken a number of steps to curb illegal production of opium poppy in the country. These include:-

- (i) Carrying out of satellite/ground survey to detect illicit cultivation of opium poppy;
- (ii) Destruction of illicit opium poppy and prosecution of the offenders.
- (iii) Coordination between various drug law enforcement agencies to enhance the impact of drug law enforcement.
- (iv) Training law enforcement officials to upgrade their skills to combat drug trafficking.
- (v) A scheme of monetary rewards to informers and officers for information leading to seizures of narcotics drugs.
- (vi) Financial assistance being provided to eligible States for strengthening their anti-narcotic units.

**Acquisition and transfer of immovable property
outside the country**

3372. SHRI A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government has asked the State Governments to be extra vigilant in matters of acquisition and transfer of immovable property in the country by a resident outside India and checking the eligibility under Foreign Exchange Management Act (FEMA) before registering a sale or purchase;

(b) if so, the response of State Governments thereto and the details thereof;

(c) whether Government will constitute a separate board to monitor such acquisition and transfer of immovable property by foreign nationals or resident outside India;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) and (b) Yes, Sir. Government of India has also issued a Press Release dated the 6th November, 2008 in this regard and the State Governments are taking appropriate action.

(c) to (e) There is no such proposal under the consideration of the Government of India.

Financing of States' plans

3373. SHRI P. RAJEEVE: Will the Minister of FINANCE be pleased to state the quantum of funds given to the State Governments for financing the States' plans in the years 2007-08 and 2008-09?