

Import of Scientific Instruments

1052. SHRI SHANKER SINH VAGHELA:

SHRI KAILASH PATI MISHRA:

Will the Minister of COMMERCE be pleased to state:

(a) whether the import of certain types of scientific instruments which are not manufactured in India is allowed to Government research and educational institutions without payment of customs duty; if so, what are the incentives given for developing the same indigenously;

(b) whether 'customs duty free' import of components is allowed to the indigenous manufactures; if not, what are the reasons therefor;

(c) whether it is a fact that the rate of customs duty is higher on imported raw materials and components than the duty leviable on finished products, i.e. scientific instruments; and

(d) if so, what are the reasons therefor?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER): (a) Yes, Sir. Only Government research and educational institutions are permitted to import instruments without payment of duty. The policy for the import of instruments by others is highly restrictive and as such the indigenous industry is adequately protected.

(b) Import of capital goods, connected raw materials and components are eligible for concessional assessment of duty under 'Project Imports'.

(c) and (d) All raw materials and components do not carry a higher rate than finished scientific instruments. Parts of some scientific instruments are charged at same rate of duty applicable to the main instruments. Tariff is fixed taking into account the interest of indigenous industry apart from other related factors.

[1053 (Withdrawn)]

Substitution of Mulberry silk yarn for imported raw silk

1054. SHRI BIR BHADRA PRATAP SINGH: Will the Minister of TEXTILES be pleased to state:

(a) whether for the purposes of Advance Licences under Appendix 19 and of the Import and Export Pass Book under Appendix 25 covering duty free imports of raw silk, domestically produced mulberry silk yarns is allowed to be substituted for the imported raw silk;

(b) if so, what are the reasons therefor; and

(c) the manner in which surplus import duty exempted raw silk is used or sold outside the books of accounts?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN): (a) Under the Duty Exemption Scheme as contained in Appendix 19 exports/supplies made from the date of receipt of application is accepted towards discharge of export obligation. If such exports are accepted, the Advance Licence Holder who has used the indigenously available raw-materials is allowed replenishment of the materials used for the production of the export product already exported, before the issue of the Advance Licence.

However, such facilities have not so far been provided under the Import-Export Pass-Book Scheme under Appendix-25.

(b) Since indigenously available raw-materials have been utilised in the manufacture of exports products before the issue of Advance Licence, the extent of raw-material used in the Export Product was to be replenished.

(c) In cases where the export obligation has been partially or fully met before the receipt of the Advance Licence, the Advance Licencing Committee may consider transfer, at landed cost of the exempt materials imported subsequently on this licence as replenishment to the supporting manufacturer whose name appears in the DEEC for further production subject to Actual User Condition. The raw-material is not allowed to be

used or transferred otherwise than provided under the scheme.

Kerala Government's investment in Treasury Bills

1055. SHRI THOMAS KUTHIRAVATTOM: Will the Minister of FINANCE be pleased to state:

(a) what is Kerala Government's Surplus including investment in Treasury Bills as on 31st March, 1986; and

(b) how does this compare with the assessment made at the time of finalising the State's Annual Plan for the current year 1986-87?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) The final figure of closing balance of 1985-86 which is comparable with the corresponding figures assessed at the time of finalising the State's annual Plan 1986-87 has not become available. This will be furnished as soon as it becomes available.

Appointments of Auditors in Government Undertakings

1056. SHRI PARVATHANENI UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) what are the criteria prescribed for appointment of Auditors for Government Undertakings;

(b) whether it is a fact that audit is conducted by Chartered Accountants who do not have even five years experience and the established firms are overlooked; and

(c) whether Government will ensure that the audit work of Government Undertakings is allotted to only well established and experienced Chartered Accountants?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) No criteria have been prescribed by the Government of India for appointment of auditors of Government Undertakings. Section 619 (2) of the Company's Act provides that the auditor of a Government Company will be appointed by the Central Govern-

ment on the advice of the CAG of India. In recommending auditors for Government Undertakings, the following broad guidelines are laid down by the CAG:

(i) the location of the company;

(ii) the nature and the complexities of the company to be audited;

(iii) the location of the Chartered Accountant's firm;

(iv) the fee for the audit;

(v) the organisational strength of the firm of Chartered Accountants!; and

(vi) their record of work and experience.

(b) and (c) Audit is entrusted either to partnership firms in which atleast one partner has more than five years experience or to a sole proprietary firm in which the proprietor has more than five years experience. Thus, audit is entrusted to only established and experienced Chartered Accountants.

Voluntary Income Tax Disclosure scheme

1057. PROF. C. LAKSHMANNA: Will the Minister of FINANCE be pleased to state:

(a) what has been the response to the recent Voluntary Income-tax Disclosure Scheme;

(b) whether the response to the Scheme was very encouraging due to certain controversies and confusions in interpretations of the provisions of the Scheme; and

(c) whether Government have made an inquiry into this matter; if so, what are the factors for poor response to the Scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) The response to the amnesty Circulars issued by the Govt. for Voluntary Disclosure of Income has been very encouraging.

(b) No, Sir.

(c) In view of the reply to part (a) above, the Government did not think it necessary to make any enquiry in the matter.