

Upgradation of Cochin

9327. SHRI SATISH PRASAD SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether any representations have been received for upgrading of the City of Cochin to A Class on the basis of population, industrialisation, tourism and very high cost of living;

(b) what steps Government have taken to upgrade the city;

(c) whether it is a fact that a large number of other cities such as Coimbatore, Madurai, Jaipur etc. were upgraded to B I Class for the above reasons very recently; and

(d) if so, the reasons why Cochin alone was left out?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA: (a) Yes, Sir.

(b) to (d) 8 cities namely Coimbatore, Jabalpur, Indore Agra, Varanasi, Madurai Allahabad and Jaipur were upgraded from B-2 Class to B-1 Class for the purpose of payment of compensatory (City) Allowance w.e.f. 1-5-1981 due to various reasons like high cost of living, industrial expansion, tourist and pilgrim traffic etc. Cochin could not, however, be upgraded on this basis as it did not satisfy the criteria followed in this regard.

Offer of consultancy and technical services to hotels outside India

9328. SHRI R. MUTHUKUMARAN: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to refer to the reply given to Unstarred Question No. 935 on 27th November, 1981 regarding Taj Group of Hotels operating

Hotels/Restaurants in India and abroad and state:

(a) whether Indian Hotels Company Limited has obtained Government approval from any Government Department including clearance under FERA in respect of rendering consultancy and technical services to hotels outside India;

(b) has such permission been obtained by Indian Hotels Company Limited in respect of their purchase/consultancy and technical services Agreement for St. James Hotel in London as advertised in the Press;

(c) if Government sanction has been obtained in respect of (a) and (b) above, the details of the proposals and Government clearances; and

(d) if not, what action Government propose to take against such violations?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI KHURSHEED ALAM KHAN): (a) Yes Sir.

(b) This Department have no knowledge of the proposal of the Indian Hotels Company to purchase St. James Hotel in London or to enter into a consultancy and technical services agreement with the hotel.

(c) In relation to (a) above the Indian Hotel Company have been given approval by Ministry of Finance, Government of India, vide its letter dated 9-7-81 and the Reserve Bank of India vide its letter dated 30-9-81 to set up a wholly owned subsidiary outside India for providing technical know-how and consultancy services. In relation to (b) above the question does not arise.

(d) It is obligatory under Section 27 of the Foreign Exchange Regulation Act, 1973, that the Indian companies should seek the prior permission of the Government of India in the matter of their association with companies abroad engaged in or intending to engage in any activity of trading, commercial or industrial nature. The companies which violate this procedure would attract penal action under the provisions of the Foreign Exchange Regulations Act.

Effect of tea reliefs on Tea Industry in South India, particularly in Kerala

9329. PROF. P. J. KURIEN: Will the Minister of COMMERCE be pleased to state whether the tea reliefs given by the Centre have had any progressive effect on the tea industry in South India, particularly in Kerala?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): Yes, Sir.

The fiscal reliefs recently granted to the Tea Industry in North & South India, including Kerala, are as under:—

(i) Rebate of excise duty at the rate of 44 paise per kg. for merchant exporters exporting tea in blended and unblended forms.

(ii) Full rebate of excise duty for producer exporters exporting tea directly from the gardens.

(iii) Drawback of custom and excise duty on packaging material used in the export of tea chests.

(iv) Reduction in basic excise duty on teas produced by

bought leaf and cooperative factories in Tamilnadu and Kerala.

(v) Abolition of Wealth Tax on Teas.

The impact of the various reliefs granted by the Central Government has not yet been fully assessed. However, the average price of tea at Cochin auctions as at the end of February, 1982 was higher at Rs. 14.54 compared to Rs. 11.99 for the same period last year.

Income tax raids

9330. SHRI R. PRABHU: Will the Minister of FINANCE be pleased to state:

(a) the total number of Income-tax raids conducted year-wise during the last five years;

(b) of the cases referred to in (a) above, the number of cases year-wise which have been finally decided;

(c) the percentage of the cases which have been finally decided year-wise; and

(d) the steps Government propose to take for early finalisation of the pending cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA):

(a) The total number of searches conducted by the Income-tax Department during the last five years are as under:—

Financial Years	Number of searches conducted
1977-78	617
1978-79	135
1979-80	2109
1980-81	3746
1981-82	4282