

(c) and (d). The Government for the following reasons, is not considering revival of exemption from income tax to the residents of Ladakh :-

- (i) Time to time increase in the exemption limit to the present limit of Rs.40,000/- combined with other tax benefits such as standard deduction, deduction under section 80L, tax rebate under section 88, etc. take care of residents with poor economic conditions.
- (ii) Income-tax exemption which was intended to benefit the poor sections of the people of Ladakh was benefiting the affluent and was being misused by unscrupulous businessmen for laundering their black money through the residents of Ladakh.
- (iii) Income Tax is levied on the basis of the paying capacity of the taxpayer and the place of residence, normally, cannot be a ground for total exemption from income tax.

Retirement Age of High Court Judges

2638. SHRI BALAI CHANDRA RAY : Will the Minister of LAW AND JUSTICE be pleased to state :

- (a) whether there is any proposal to raise the retirement age of High Court Judges; and
- (b) if so, the details thereof?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATURE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) No, Sir.

- (b) Does not arise.

Central Board of Revenue

2639. SHRI ANANT KUMAR HEGDE : Will the Minister of FINANCE be pleased to state :

- (a) whether Government propose to constitute a Central Board of Revenue by merging the Central Board of Direct Taxes and the Central Board of Excise and Customs;

- (b) if so, the details thereof;

- (c) the time by which the proposal is likely to be implemented; and

- (d) if not, the other steps taken for improvement in the efficiency of revenue mobilisation and client services?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) No, such proposal is under consideration at present.

- (b) and (c). Does not arise in view of reply to (a) above.

(d) Various steps have been taken at the policy level for effecting improvement in the efficiency of revenue mobilisation and client services. With this end in view the tax structure has been rationalised and procedures have been simplified. Emphasis has been given to reduce the scope of discretion and minimise litigation. Constant endeavour is also made to create a climate of mutual trust between the Government and tax payers. At the same time, the efficiency of the existing preventive mechanism to deal with tax evasion is being constantly reviewed and strengthened.

Income Tax Exemption to Sports Authority of Karnataka

2640. SHRI K.C. KONDAIAH : Will the Minister of FINANCE be pleased to state :

- (a) whether the Sports Authority of Karnataka has requested for 100% Income Tax exemption for contributions to be made towards 4th National Games;

- (b) if so, whether the Union Government have since rejected the above proposal;

- (c) if so, the reasons thereof; and

- (d) whether the Government propose to reconsider its decision?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

- (b) to (d). The Government has not yet taken any decision on the fresh request of Government of Karnataka on behalf of the Sports Authority of Karnataka.

[Translation]

Textile Industry in Madhya Pradesh

2641. SHRI SUKH LAL KUSHWAHA : Will the Minister for TEXTILES be pleased to state :

- (a) The rank of Madhya Pradesh in the field of textile industry in the country;

- (b) the present number of units engaged in the production of handloom, powerloom, synthetic yarn, readymade garments and hosiery in the State;

- (c) the amount spent by the Government during each of the last three years on the development of textile industry in the State; and

- (d) the steps taken by the Government to promote the export of cloth produced by the said units?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) The share of State of Madhya Pradesh in the field of textile industry in the country, in terms of installed spindleage/installed loomage, registered numbers of powerloom and numbers of handloom is approximately 3.2%.

(b) As per available data the number of units engaged in the production of handloom and powerloom cloth in the State of Madhya Pradesh are 47,000 and 34,593 respectively. In addition there is one unit manufacturing synthetic yarn, and 50 units producing cotton and man-made textiles including synthetic spun yarn. The data on the number of units producing ready made garments and hosiery is not maintained. However, the number of units registered with AEPC as exporters of garment and knitwear from the State of Madhya Pradesh is 72.

(c) No earmarking of funds is made for development of textile sector for each State separately by the Central Government. The plans for development of textile industry are finalised and implemented keeping in view the overall interests of the industry.

(d) Steps for promotion of exports is not taken separately for each State. However, various steps have been taken by the Government to promote export of cloth such as reduction in import duty on various capital goods and raw materials, fiscal restructuring, simplification of quota system, research and development activities, setting up of laboratory facilities, etc.

[English]

Bank Credit to Corporates

2642. SHRI G.M. BANATWALLA : Will the Minister of FINANCE be pleased to state :

(a) whether the bank credit to corporates has declines in recent months despite improvement in banks' liquidity position;

(b) if so, the extent of monthly decrease during the past six months and the reasons therefor;

(c) whether the Reserve Bank of India has recently imposed stricter rules/guidelines in disbursing loans;

(d) if so, the details thereof; and

(e) the details of the steps being taken to improve the loan disbursement position?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (e). The information is being collected and will be laid on the Table of the House to the extent available.

Foreign Investment

2643. SHRI MURALIDHAR JENA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have opened the capital market for foreign investors;

(b) if so, the expected volume of inflow of foreign capital in the secondary market of the country;

(c) the amount of foreign exchange likely to be repatriated from profits out of these investments;

(d) whether any guidelines have been issued by the Government in this regard;

(e) if so, the details thereof; and

(f) the steps being taken for productive use of foreign capital proposed to be acquired through this method?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (e). Government, through a press Release dated 14th September 1992, publicised guidelines permitting Foreign Institutional Investors (FIIs) including institutions such as Pension Funds, Mutual Funds, Investment Trusts etc., to invest in Indian capital Market. As per the information filed with the Securities and Exchange Board of India (SEBI), by the Custodians to the FIIs, as on 12.7.1996 cumulative net investments by FIIs stood at US \$ 6397.4 million. As per the governing guidelines, FIIs can repatriate capital, capital gains, dividends, income received by way of interest on their investments (post tax) from their Rupee Account to Foreign Currency maintained at a designated branch of a Bank in India. The amount of profits which would be repatriable is contingent upon various factors including performance of domestic stock markets, investment decisions of the FIIs etc., hence extent of repatriability of profits is not amendable to reliable estimation.

(f) Foreign exchange inflows consequent to FII investments play a facilitating role in management of the country's Balance of Payment situation. Secondary market operations by FIIs increases the depth and credibility of domestic capital markets, enhancing the scope for capital mobilisation by Indian companies.

Excise Duty on Cigarettes

2644. SHRI G.A. CHARAN REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether a resolution seeking withdrawal of tax concession on mini-cigarettes passed by Andhra Pradesh Legislative Assembly is pending with the Union Government;

(b) if so, the action the Union Government have taken/proposed to be taken in this regard;

(c) whether bidi production has gone down by 25 percent in the last two years resulting in less production and lakhs of workers losing their employment;

(d) whether the Government have any proposal to ban the production and sale of cigarettes having less than 60mm size; and

(e) if not, the steps the Government propose to consider for withdrawing the excise tax concession granted to mini-cigarettes?