

Amount Deposited by NRIs in Banks in Tamil Nadu

950. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) the amount deposited by the Non-Resident Indians (NRIs) in various Public Sector Banks in Tamil Nadu during 1993-94 and 1994-95 so far; and

(b) the banks in Tamil Nadu in which maximum amount has been deposited by the NRIs ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V.CHANDRASHEKARA MURTHY): (a) and (b) The Information is being collected and will be laid on the Table of the House to the extent available.

Indian Development Bonds

951. SHRI S. AUSTIN:
SHRI GUNDAPPA
KORWAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have received complaints from Non-Resident Indians about problems being created by income tax authorities over loans from scheduled banks in India against collateral security of India Development Bonds;

(b) if so, the details thereof ; and

(c) the corrective steps being taken by Government ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V.CHANDRASHEKARA MURTHY): (a) Yes, Sir.

(b) A complaint dated 24-11-1993 was received by Government of India that Indian Income Tax Authorities were asking Indian firms and companies who had been advanced loans by Scheduled Banks in India against collateral security of India Development Bonds pledged by Non-Resident

Indians and Overseas Corporate Bodies to disclose the names and particulars of the holders of India Development Bonds. It was contended that this was against the immunity granted to Non-Resident Indians under the Remittances of Foreign Exchange and Investment in Foreign Exchange Bonds (Immunities & Exemptions) Act, 1991.

(c) In their letter dated 16-12-93 to the complainant, copies of which were sent to the Income Tax authorities the Central Board of Direct Taxes clarified that once a scheduled bank certifies in writing that the loan has been taken against the collateral security of India Development Bonds belonging to a Non-Resident Indian, an Overseas Corporate Body, or a Bank holding India Development Bonds in a fiduciary capacity or against collateral security of such India Development Bonds gifted to an Indian citizen, the Indian Income Tax authorities are precluded from instituting further inquiries.

Subsequently, on 21-3-1994, the Central Board of Direct Taxes further clarified that the Income Tax authorities will, however be free to inquire from the Indian resident availing the loan from a bank the consideration, if any paid to the bank or to the holder of security for arranging and providing the collateral security and the terms of this arrangement.

Smuggling of gold from Dubai

952. SHRI GUNDAPPA KORWAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the smuggling of gold into the country from Dubai;

(b) if so, the quantum of smuggled gold seized during 1992-93; and

(c) the steps taken by Government to check the gold smuggling from Dubai?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V.CHANDRASHEKARA MURTHY): (a) Intelligence reports and seizures effected indicate that gold continues to be smuggled into the country from Dubai.

(b) During 1992-93 smuggled gold weighing 2339 Kgs. was seized in the country from all destinations. As, in many cases, smuggled gold is seized as unclaimed, exact origin, whether from Dubai, or otherwise cannot be pinpointed.

(c) Anti-smuggling activities have been intensified at all vulnerable points. Close coordination among all agencies in the detection and prevention of smuggling is being maintained. To prevent smuggling of gold by air route Government has constituted a special task force to study the problem, its ramifications and to collect actionable intelligence about the persons/agencies involved in the smuggling both in India as well as abroad.

EURO—Issues

953. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state ;

(a) The approximate amount raised by the various Companies which floated Euro-issues recently;

(b) whether Government have determined its end-use;

(c) the impact of Euro-issues on spiralling inflation in the country; and

(d) what monitoring is being done by Government over the utilisation of funds thus raised and those from capital markets ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY) (a) During 1994-95 an amount of US \$ 1432.49 million has hitherto been mobilised

through Euro issues by various companies.

(b) to (d) Guidelines have been issued by Government of India requiring the companies to conform to the specified end-uses for application of Euro proceeds raised by them in the international market. Also in terms of new guidelines, the companies are required to mandatorily retain abroad the funds raised by them to be repatriated into the country as and when expenditures for approved end-uses are incurred. These measures are intended to ensure that funds are raised only for specified purposes and inflows of such funds are linked to the actual expenditure requirement. In terms of these guidelines the companies are required to submit quarterly statements of periodic repatriation of proceeds and manner of utilisation on approved end-uses duly vetted by auditors.

Tax Holiday Scheme

954. SHRI G. Y. KRISHNAN: Will the Minister of FINANCE be pleased to state :

(a) whether Government have not as yet announced/notified the list of backward districts in the country where the tax payers would be entitled to tax holiday, even after 8 months of the announcement of such a concession; and

(b) if so, the reason therefor and how long more will it take to do the needful ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY) : (a) and (b) The Report of the Study Group on Identification of Backward Districts has been received only in October, 1994 and is under consideration of the Government.