

Implementation of Chelliah Committee Recommendations

952. SHRI G. PRATHAPA REDDY:
DR. SHRIKANT RAMCHANDRA JIOHKAR :

Will the Minister of FINANCE be pleased to state :

(a) whether all the recommendations of the Chelliah Committee have been accepted by Government;

(b) if so, what is the number of recommendations that have been implemented so far; and

(c) the date by when all the recommendations will be implemented ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY) : (a) and (b) So far as recommendations made by the Committee regarding Direct Taxes are concerned, a substantial portion thereof had been accepted and implemented through the Finance Act, 1992. Reduction in the number of slabs of income on which tax was to be levied in the case of individuals and HUFs, restructuring of capital gains taxation, introduction of the presumptive scheme of taxation and recasting of wealth-tax are some of the examples. The recommendation relating to raising the exemption limit for purposes of gift-tax stands reflected in the Finance Bill, 1993.

As regards the recommendations regarding Indirect Taxes, the following important changes have been effected in the Customs and Excise duty structure having regard to long-term recommendations of the Tax Reforms Committee :—

- (i) Peak rate of import duty was reduced from 110 per cent to 85 per cent with a few exceptions like alcoholic beverages and baggage;

(ii) Auxiliary duty of customs was merged with basic customs duty;

(iii) Import duty on projects and general machinery was reduced from 55 percent to 35 percent ad valorem;

(iv) Import duty on metals was generally reduced;

(v) Import duty on chemicals and petrochemicals was reduced;

(vi) The import duty on specified raw materials, piece parts and components for electronics industries was reduced from 40 per cent, 60 per cent, 80 per cent to 20 percent, 35 per cent and 50 per cent respectively.

As regards excise duties, duty on items which attracted high rates has been Generally reduced, including those on a large number of capital goods and instruments. Excise duty structure on metals was generally rationalised by reducing the number of rates applicable.

(c) No time-frame has been fixed for the implementation of the Committee's recommendations.

Assistance Under United States Point Four Programme

953. SHRI V. RAJESHWAR RAO :
DR. SHRIKANT RAMCHANDRA JIOHKAR :

Will the Minister of FINANCE be pleased to state :

(a) what is the quantum and type of 'technical assistance that has been received during the last three years under the United States Point Four Programme; and

(b) what are the new proposals under this programme ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE