

the earnings from turn-key and project exports should also be treated at par with other exports for Income Tax concessions; and

(b) if so, what is the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) Under Section 80HHC, exemption from income tax is allowed for the entire profits and gains derived by an assessee from the export of goods or merchandise mentioned in that Section. However, under Section 80HHB, exemption is allowed only for 50 per cent of the profits and gains from execution of any project or work outside India. This distinction has been deliberately maintained after taking into account the extent of fiscal support needed for 'sustaining and encouraging exports of the two categories mentioned' earlier. While commodity exporters are allowed 100 per cent exemption taking into account the comparative disadvantage faced by them in the international market, profits on project exports do not justify exemption in excess of the present fifty per cent.

Introduction of self Removal Procedure in Customs

835. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government proposed to introduce self removal procedure in customs; and

(b) whether Government have gone into the relative advantages of these changes and if so, what are the details thereof.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) No, Sir.

(b) Does not arise.

Directive on saving foreign exchange

836. SHRI KRISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that sometime back directives were issued against the outflow of foreign exchange in view of foreign exchange crunch;

(b) what is the amount of foreign exchange spent during this financial year as compared to the corresponding period last year; and

(c) what is the impact of the directive on the saving of foreign exchange and what further steps are being taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir. The Reserve Bank of India had issued a number of circulars mainly affecting imports to contain outflow of foreign exchange.

(b) Foreign exchange spent on imports during this financial year between April 1991 to December 1991 was Rs. 34,238 crores (\$ 14272 million) compared to Rs. 31,724 crores (\$ 17,962 million) during the corresponding period last year.

(c) As a result of restrictions combined with a number of other measures to contain outflow of foreign exchange and increase the inflow, the foreign exchange reserves increased from Rs. 4388 crores at the end of March, 1991 to Rs. 11,424 crores as on February 22, 1992. However, RBI has removed the restrictions in respect of imports of raw material and components and relaxed substantially the earlier restrictions in respect of imports of capital goods. These steps have been taken to facilitate, inter alia, increase in exports and thus, earn more foreign exchange.

Substitution of currency notes by coins

837. DR. NARREDDY THULASI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether there is any proposal under Government's consideration to discontinue one rupee, two rupee and five rupee notes and to substitute them; by the coins of the same denominations.

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes sir.

(b) It has been decided to coinize Rs. 1/-, Rs. 2/- and Rs. 5/- denomination, notes. Printing of one rupee, two rupee and five rupee notes will be continued for some more time alongwith the minting of coins of similar denominations.

Gold abandoned by smugglers In sea-bed

838. DR. SANJAYA SINH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a huge quantity of gold is lying in sea-bed and on sea coasts of the country abandoned by smugglers;

(b) if so, what is the estimated quantity and value thereof;

(c) whether Government have drawn up any plan to retrieve this gold; and

(d) if to, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (d) On the basis of reports received that seaborne smugglers have been dumping contraband gold into the sea, off the Indian coastline, on fear of imminent interception by the Customs/Coast Guard, the Government has decided to detail the National Institute of Oceanography for undertaking the task of salvaging such dumped gold lying on the seabed in the locations identified by the Directorate, of Revenue Intelligence. No reasonable estimate can be made of the quantum estimate can be made of the quantum of such (Jumped gold or the quantity that would be salvaged.

Subsidiaries of IFCI

839. SHRIMATI KAMLA SINHA: Will the Minister of FINANCE be pleased to state:

(a) what is the number of subsidiary organisations floated by Industrial Finance Corporation of India during the last eight years;

(b) whether it is a fact that many of these subsidiary organisations are being headed by retired top bureaucrats; if so, what are the details of their salaries, emoluments and perks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The Industrial Finance Corporation of India (IFCI) has reported that the Risk Capital and Technology Finance Corporation Ltd. (RCTC) is the only subsidiary organisation set up in the last 8 years, in which IFCI holds more than 51 per cent of shares.

(b) No, Sir.

Balance of payment position

840. SHRI RAM NARESH YADAV: Will the Minister of FINANCE be pleased to state:

(a) what is the position of balance of payments at present; and

(b) what steps Government propose take to fulfil this gap?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The balance of payments as reflected in the level of foreign currency assets has shown a significant improvement at present.

(b) The steps already initiated and proposed to be taken to improve the balance of payments position include; reforms in the trade policy and industrial policy so as to reduce the gap between exports and imports; measures to increase capital inflows from both bilateral and multilateral sources consistent with financial prudence, enhancement of direct foreign investment