

Outflow of FIIs

2618. SHRIMATI SYEDA ANWARA TAIMUR:

SHRI VIJAY JAWAHARLAL DARDA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Foreign Institutional Investors (FIIs) took out Rs.47,706 crore during 2008-09 from Indian Stock Market, which is nearly 90 per cent of Rs.53,000 crores invested by them in fiscal 2007-08;

(b) if so, what was the percentage of taking out of stock market during 2007-08 and 2006-07; and

(c) whether it was primarily due to global recessionary trends from June, 2008 onwards or lack of confidence in Indian Stock Market?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) Yes, Sir.

(b) SEBI has informed that for both 2006-07 and 2007-08, FII investments were "net inflow" into Indian stock markets.

(c) The investment decisions of the foreign investors are influenced among other things by the investment climate of the jurisdiction, relative rate of returns from other jurisdictions and other macro and micro global economic conditions. Global markets, both developed and emerging, suffered severe correction in the second half of 2008. India markets were no exception to this global meltdown.

Wealth Tax

2619. SHRI MANGALA KISAN:

SHRI R.C. SINGH:

Will the Minister of FINANCE be pleased to state:

(a) when was the Wealth Tax first introduced in the country;

(b) the details of Wealth Tax collection in the country during the last three years, year-wise and State-wise;

(c) whether it is a fact that Wealth Tax collections are stagnant in the last few years;

(d) if so, the reasons therefor; and

(e) what steps his Ministry is taking or proposed to take to increase Wealth Tax collection in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) The Wealth Tax Act, 1957 came into force on the 1st April, 1957.

(b) The State-wise details in respect of Wealth Tax collection in the country during the last three years is given in the Statement (See below).

(c) No, Sir. Intact, the collection of wealth tax during each of the last three years has increased as shown below:-