

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:-

F. Y.	Wealth Tax Collection (in Rs crores)
2006-07	240
2007-08	340
2008-09	385

- (d) Does not arise in view of (c) above.
- (e) The measures taken to increase the Wealth Tax collections in the country include:-
- (i) Utilisation of Annual Information Return (AIR) data.
- (ii) Simultaneous scrutiny of wealth tax returns along with the income tax returns.

Statement

Collection of Wealth Tax State-wise and Financial Year-wise (Rs. in crore)

S.No.	State	F.Y. 2006-07	F.Y. 2007-08	F.Y. 200-09
1	2	3	4	5
1.	Andhra Pradesh	7.95	15.79	
2.	Arunachal Pradesh	0.00	0	
3.	Assam	6.82	0.81	
4.	Bihar	0.28	6.14	
5.	Chhattisgarh	6.25	0.48	
6.	Delhi	34.87	91.98	
7.	Goa	1.40	3.25	
8.	Gujarat	7.23	10.60	
9.	Harayana	3.05	3.66	
10.	Himachal Pradesh	0.04	0.01	
11.	Jammu & Kashmir	0.31	0.12	
12.	Jharkhand	0.29	6.38	
13.	Karnataka	21.57	18.97	
14.	Kerala	1.92	2.27	
15.	Madhya Pradesh	0.55	6.97	
16.	Maharashtra	99.66	118.53	
17.	Manipur	6.04	6.07	

1	2	3	4	5
18.	Meghalaya	0.16	0.16	
19.	Mizoram	0.00	0	
20.	Nagaland	0.00	0	
21.	Orissa	6.54	0.47	
22.	Punjab	5.06	6.30	
23.	Rajasthan	4.12	3.91	
24.	Sikkim	0.00	0	
25.	Tamil Nadu	20.33	26.57	
26.	Tripura	0.10	0.07	
27.	Uttar Pradesh	5.93	7.48	
28.	Uttaranchal	2.73	2.39	
29.	West Bengal	20.44	25.40	
30.	Union Territories	6.69	1.47	
TOTAL		240.33	340.32	385.71
Rounded off to		240	340	385

Global economic recession

2620. SHRI GIREESH KUMAR SANGHI: Will the Minister of FINANCE be pleased to state:

(a) whether according to the International Monetary Fund (IMF) the current global recession which is the worst after World War II is likely to continue for longer duration and recovery would be sluggish;

(b) if so, whether counter cyclical policy action combined with action to restore confidence in financial sector could improve prospects for recovery, according to IMF;

(c) if so, what are the other main points in the IMF report and to what extent Government has considered suggestions made in the report; and

(d) what is latest position of economic recession in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) As per the latest World Economic Outlook, July 2009 of the International Monetary Fund, the global economy is beginning to pull out of a recession, but stabilization is uneven and the recovery is expected to be sluggish. Global economic growth in 2010 is now projected at 2.5 per cent as against 1.9 per cent projected in the April 2009 World Economic Outlook. Financial conditions have improved