

[15 May, 2007]

RAJYA SABHA

cargo segment that has lagged behind while the Indian Aviation Sector has witnessed a double-digit growth;

(b) whether Government will provide night landing and navigation facilities at all operational airports in the country;

(c) whether Government will reduce to two years, the mandatory five years' experience required before domestic carriers with a fleet strength of 20 aircrafts operate overseas; and

(d) if so, by when a final decision in this regard is likely to be taken?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) Government is aware of the need to give a boost to develop cargo operations in the country. A Civil Aviation policy is under formulation which, *inter-alia*, will address issues relating to promotion of air cargo trade.

(b) Most of the operational airports have been provided with night landing facilities. At other airports where this facility is not available or only partly available, as and when operational necessity arises, night landing facilities are provided. Navigation facilities, namely Very High Frequency Omni Range (VOR), Distance Measuring Equipment (DME) and Instrument Landing System (ILS) are available at most of the operational airports.

(c) This issue will be addressed in the proposed Civil Aviation Policy.

(d) Does not arise.

Amendment of income tax act

*575. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have taken note of anomaly in the matter of investments that qualify for reduction from income under section 80 C of the Income Tax Act insofar as the investments made in Mutual Funds have a lock in period of three years whereas fixed deposits with the banks have a lock in period of five years;

(b) if so, whether Government propose to remove the anomaly by amending the Income Tax Act during the current Session; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) Section 80C of the Income Tax Act provides a deduction of upto Rs. 1 lakh from the gross total income to an individual of HUF, which makes investments in specified savings instruments or makes certain specific payments. The savings instruments includes Equity Linked Saving Schemes (ELSS) floated by mutual funds and terms deposit of a scheduled bank for a period of not less than 5 years. While the lock in period in the case of ELSS is 3 years, it is 5 years in the case of term deposit with a scheduled bank.

Investment in ELSS is essentially an investment in equity while term deposits with a scheduled bank are debt instruments yielding assured returns. Therefore ELSS carries a significantly higher risk in comparison to a term deposit with a scheduled bank. In order to compensate ELSS for the higher risk, a relatively lower lock-in-period of three years has been provided.

In view of the above, there is no proposal to amend Section 80C of the Income-tax Act.

Statutory duties executed by Central Excise Commissioner, Patna

†*576. PROF. RAM DEO BHANDARY: Will the Minister of FINANCE be pleased to state:

(a) whether under the Central Excise Act, CCS (CCA) rules recruitment rules and other Acts related to approval for prosecution, statutory responsibility/ duties cannot be discharged/executed by the Central Excise Commissioner in the event of his holding additional/dual/current/temporary charge;

(b) whether it is also a fact that despite the provisions in the said Act, Customs Commissioner, Patna has performed in an unconstitutional and illegal manner by executing statutory responsibilities/duties prescribed for Central Excise Commissioner, Patna by assuming additional/dual charge himself on the basis of vacancy during the year, 2002-03; and

(c) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Under Central Civil Services (Classification, Control & Appeal) Rules 1965, an officer appointed to perform the current duties of an appointment can

†Original notice of the question was received in Hindi.