

**Application for exemption from payment of Income-tax by Indira Gandhi Pratibha Pratisthan of Bombay**

1077. DR. BAPU KALDATE: SHRI SUSHIL CHAND MOHUNTA;

Will the Minister of FINANCE be pleased to state:

(a) -whether the trustees of the Indira Gandhi Pratibha Pratisthan, a Bombay established trust have applied for income-tax exemption;

(b) if so, when, and what are the names of the trustees and the objectives of the trust; and

(c) whether their application for the exemption from income-tax has been accepted?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. M. KRISHNA): (a) Yes, Sir. Returns of income for assessment years 1981-82, 1982-83 and 1983-84 claiming exemption from tax under section 11 of the Income tax Act, 1961 have been filed in the name of Pratibha Pratisthan. An application for notification under section 10(23C)(iv) of the Act has also been filed by the above named institution,

(b) The application under section 10(23C)(iv) is dated 20-11-1982. The returns of income for assessment years 1981-82, 1982-83 and 1983-84 have been filed on 30-9-1982, 30-9-1983 and 3-8-1983

19-11-1982, 19-11-1982  
(Revised return) (Revised return)  
respectively. The names of the trustees are:

(i) Shri Ramrao Adik

(ii) Dr. Rafiq Zakaria

(iii) Shri R. R. Bhole

(iv) Shri Sharad M. Hajamavis, and (v) Shri Ajit Kerkar.

The objects of the trust are mainly improvement of education, medical re-

lief, promotion of arts and offering help to talented people.

(c) The claim of the trust for exemption under section 11 has been accepted in the assessment for assessment year 1981-82 completed on 31-3-1984. The application for notification under section 10(23C)(IV) is pending.

**Discouraging advertisements for promotion of sales**

1078. SHRI K. MOHANAN: "Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to discourage advertisements for promotion of sales;

(b) if so, what are the reasons therefor;

(c) if the answer to part (a) above be in the negative what is the justification for the 20 per cent disallowance of advertising expenditure; and

(d) whether Government are aware that this decision has adversely affected the small and medium newspapers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. M. KRISHNA): (a) to (d) The provision introduced through the Finance Act, 1983 for disallowance in the computation of taxable profits of 20 per cent of the expenditure incurred on, inter-alia advertisement, publicity and sales promotion, in excess of one lakh rupees in the aggregate, has been made with a view to inculcating a climate of austerity and providing a disincentive to unproductive, avoidable and ostentatious spending by trade and industry. The said provision came into effect on 1-4-1984 and is applicable to the assessment year 1984-85 and subsequent years. It is, therefore, too early to assess the impact of the said provision on small and medium newspapers.

**Profits remitted abroad by multinational companies**

1079. SHRI RAM BHAGAT PASWAN; Will the Minister of FINANCE be pleased to state;

(a) how much profit the multinational companies including M/s.