

cers of the Ministry of Commerce deputised for organising fair participation/exhibition abroad during 1972-73 to 1974-75 was Rs. 16,72,676.78 (Statement enclosed). [See Appendix XCII, Annexure No. 59].

(b) Statement enclosed. [See Appendix XCII, Annexure No. 60].

#### **Assessment of Wealth of Religious Heads**

896. SHRI G. LAKSHMANAN :

SHRI C. D. NATARAJAN:

SHRI M. KAMALANATHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that several religious heads such as Sathya Sai Baba of Bangalore have amassed immense wealth and have formed trusts in respect of their vast properties with a view to avoid assessment to wealth-tax and income-tax; and

(b) if so, what steps Government propose to take to assess them to wealth-tax and income-tax ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) and (b) Information about whether several religious heads have amassed immense wealth and have formed trusts in respect of their vast properties is not readily available. However, the legal position is that any property held by an assessee under Trust or other legal obligation for any public purpose of a charitable or religious nature in India is exempt from the charge of wealth-tax under section 5(l)(i) of the Wealth Tax, 1957. Similarly, income derived from property held under Trust wholly for charitable or religious purposes to the extent to which such income is applied to such purposes in India is exempt, subject to certain conditions spelt out in sections 11 to 13 of the Income-tax Act, 1961. There are, however, provisions in the Income-tax Act and Wealth-tax Act for taxing any part of income wealth of such Trusts which directly or indirectly ensures for the benefit of the following:

(a) the author of the trust or the founder of the institution;

(b) any person who has made a substantial contribution to the trust or institution;

(c) (i) where such author, founder or person is a Hindu undivided family, a member of the family;

(ii) any trustee of the trust or manager (by whatever name called) of the institution;

(d) any relative of any such author, founder, person or member as aforesaid;

(e) any concern in which any of the persons referred to in (a), (b), (c), (i) (ii) and (d) above has a substantial interest.

The abovenoted provisions provide for levy of wealth-tax and income-tax in cases of diversion of property, or of income from property held under trust for public charitable or religious purposes.

#### **Financial Assistance for Purchase of Raw Cotton**

897. SHRI DEORAO PATIL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a proposal to give financial assistance for purchase of raw cotton to the Maharashtra Government and Cotton Corporation of India is under the consideration of the Central Government; and

(b) if so, what are the details thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI-MATI SUSHILA ROHATGI): (a) and (b) Within the framework of the current credit policy, which aims at containing inflation on the one hand and promoting investment, production and better distribution of essential commodities on the other, the banking system and the cooperative sector have been trying to meet the credit requirements of the Cotton Corporation of India and of the Monopoly Procurement Scheme of the Government of Maharashtra. The