

- On June 15, 2004, government reduced excise duties on selected petroleum products to keep their domestic retail prices in check in the face of rising international prices of oil. Excise duty on petrol was reduced from 30 per cent to 26 per cent. that on high speed diesel from 14 per cent to 11 per cent and that on liquefied petroleum gas (LPG) from 16 per cent to 8 per cent.
- On August 18, 2004, government reduced further excise and customs duties on selected petroleum products. Customs duty on petrol, diesel, LPG and kerosene were reduced by 5 per cent each, while excise duty was reduced by 3 per cent each for petrol and diesel and by 4 per cent for kerosene.
- On August 20, 2004, government reduced customs duties on non-alloy steel and ships for breaking to 5 per cent from 10 and 15 per cent respectively in order to check high inflation in metals and metal products. Melting scrap of iron and steel was fully exempted from customs duty.
- To check the liquidity overhang in the system, the Reserve Bank of India (RBI), on September 11, 2004, hiked the cash reserve ratio (CRR), to be maintained by banks, by 50 basis points to 5 percent of their demand and time liabilities.
- In a bid to control the prices of edible oils and make its availability easy, the government on September 16, 2004 cut tariff values on many vegetable oils by around \$ 50 a metric ton.
- In its Mid-Term Review of the Annual Policy Statement for 2004-05 announced on October 26, 2004, the RBI hiked the reverse repo rate (i.e. the interest rate paid on bank funds placed with the RBI against government paper) by 25 basis points to 4.75 per cent.
- As there was a fall in the international prices of crude oil, oil companies reduced the prices of petrol by up to Rs. 1.26 per liter with effect from November 15, 2004.

### **Recovery of Tax from BCCI**

**501. SHRI AJAY SINGH CHAUTALA:** Will the Minister of FINANCE be pleased to state:

- (a) whether the Board of Control for Cricket in India (BCCI) has even paid income tax on income earned by it;
- (b) if so, the details thereof during the last three years separately;
- (c) whether the BCCI has not paid the income tax and other taxes which were due from it during the above period and also in 2004-05;
- (d) if so, the reasons therefor; and
- (e) what remedial action is taken or proposed to be taken by Government to recover the taxes from BCCI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Board of Control for Cricket in India (BCCI) has never disclosed any taxable income voluntarily as BCCI has claimed exemption of its income under section 10 (23) or section 11 of the Income Tax Act. However, for some years, the BCCI's claim for exemption was not accepted by the Income Tax Department as discussed in paras (c) and (d) below.

(c) Tax demands amounting to Rs. 33.42 crore have been raised against BCCI since Assessment Year 1998-99. An amount of Rs. 4 crore has been paid by BCCI towards these dues. Moreover, tax deducted at source from the income of BCCI has also been adjusted towards the outstanding dues.

(d) BCCI has been claiming exemption from income-tax for its income under section 10(23) or section 11 of the Income-tax Act, 1961, being an institution/organization with the object of supervision, control and encouragement of the game of cricket in India. In the tax-assessments of BCCI for financial years 1997-98 to 1999-2000, the exemption so claimed was denied by the Income-tax Department and tax demands were raised against BCCI. However, the stand of the Department has not been upheld by the Commissioner (Appeals) for financial year 1997-98. Appeals for financial year 1998-99 and 1999-2000 are pending before Commissioner (Appeals). Moreover, in the tax-assessment of BCCI for financial year 2000-01, exemption from income has been allowed by the Assessing Officer. In view of the appeal for financial year 1997-98 having been decided in favour of BCCI, the demands raised by the Department are not being enforced.

(e) In view of the decision of Commissioner (Appeals) restoring exemption from income-tax for the income of BCCI and the fact that the appeals for subsequent two years are pending before Commissioner (Appeals), no action for recovery of taxes is proposed presently.

#### **Loans to farmers**

502. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the loans given to farmers by District Cooperative Banks and various other credit societies in the country particularly in the Vidarbha region of Maharashtra are limited, rather insufficient, to meet their needs;

(b) if so, the details thereof;

(c) whether it is also a fact that several needy farmers are falling victim to illegally operating money lenders from whom they borrow money for purchase of farm-seeds etc.;

(d) if so, the details thereof; and