

(b) whether Government propose to devise an easier way of providing a receipt to tax payers at the tax deduction source itself?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) (a) and (b) As per the existing provisions of the Income Tax Act, the certificate for tax deducted at source is issued by the person responsible for making such deduction. The credit for the tax so deducted is given to the taxpayer only on furnishing of the TDS certificate. The Finance (No. 2) Bill, 2004 proposes to amend the Income Tax Act, 1961, to provide for provisions to dispense away the requirement of a certificate of tax deducted at source. Credit for tax deducted is proposed to be given to the taxpayers on the basis of statements/returns filed by the deductor of tax, without requiring the taxpayers to produce any certificate for tax deducted.

Limit to Cross Share Holding of Banks

2117 SHRIMATI JAYA BACHCHAN
SHRI S. M. LALJAN BASHA
SHRI AMAR SINGH

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to tighten the cross share holding rules of the entire banking industry,

(b) if so, what are the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) (a) and (b) Reserve Bank of India monitors cross holding of capital among banks and financial institutions. A bank's aggregate investment in Tier II Bonds issued by other banks and financial institutions is permitted upto 10 percent of the investing bank's capital funds. They also should not acquire any fresh stake in a bank's equity shares if by such acquisition the investing banks/FIs holding exceeds 5 percent of the investee bank's equity capital. The above ceiling are applicable to all types of instrument listed below which are issued by other banks/FIs and are eligible for capital status for the investee banks/FIs.—

(i) Equity shares

- (ii) Preference shares eligible for capital status;
 - (iii) Subordinate debt instruments;
 - (iv) Hybrid debt capital instruments, and
 - (v) Any other instrument approved as in the nature of capital
- (c) Does not arise.

Transactions by Banned Institutions in GTB

†2118. SHRI RAVI SHANKAR PRASAD:
DR. MURLI MANOHAR JOSHI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that those organisations had been granted permission to transact in Global Trust Bank shares which were put under ban during the last few years;

(b) if so, the facts in this regard;

(c) the names of banned organisations which transacted in Global Trust Bank shares togetherwith the amount involved therein, and

(d) whether Government have identified the offenders who are responsible for the said incident and if so, the names thereof?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI S S PALANIMANICKAM) (a) and (b) Securities & Exchange Board of India (SEBI) has informed that on December 31, 2002 an exparte ad-interim order was passed by SEBI against the promoters of GTB and others (numbering in all 50 entities) debarring them from dealing in only securities of GTB till investigation was complete.

A post decisional hearing was given to the said 50 entities during February 2003. On June 13, 2003, order confirming the exparte interim order was passed against Ramesh Gelli, the promoter and his group entities and subsequently final order was passed against the promoter group entities of Global Trust Bank on March 23, 2004 debarring them from dealing in the script of GTB for a period of 18 months with effect from the date of interim order, i.e., December 31, 2002.

†Original notice of the question was received in Hindi