

bank credit to agriculture. The performance of public sector banks in lending to agriculture for the last three years is given below :

(Rs. in Crores)

Year ended March	Net Bank Credit	Agricultural Advances	18% of NBC	Shortfall
1994	149913.62	21204.26 (15.05%)	25364.45	4124.19 (2.95%)
1995	169037.54	23512.93 (13.91%)	30426.75	6913.82 (4.09%)
1996	184390.76	26351.25 (14.29%)	33190.33	6839.08 (3.71%)

It may be seen from above that the agricultural advances have been rising. However, the share of such advances as percentage of net bank credit was showing a declining trend upto March 1995. This trend has been arrested and the percentage in respect of public sector banks has gone up as of March 1996 as compared to March 1995.

(c) Reserve Bank of India has advised all scheduled commercial banks to make every effort to achieve the stipulated target and sub-targets for lending to priority sector at the earliest. Banks were also advised that failure on their part to achieve the stipulated target and the sub-target/s could invite banks specific policy measures which could include raising of reserve requirements of withdrawal of refinance facilities and/or such other measures as deemed necessary. Banks which have not reached the agricultural lending sub-target of 18 per cent of net bank credit are required to make contributions to the Rural Infrastructural Development Fund (RIDF) equivalent to the shortfall subject to a maximum of 1.5% of Net Bank Credit in achieving the aforesaid sub-target. The following additional steps have been taken to ensure enhanced flow of credit to agricultural sector :

- Simplified application forms have been made available which are also in Regional languages;
- Prescription of scales of finance for crop loans as worked out by the technical committees constituted in each district for various crops and their uniform adoption by banks;
- Disposal of loan applications upto Rs.25,000 within a fortnight and those over Rs.25,000 within 8 to 9 weeks;
- Delegation of appropriate sanctioning powers to rural branch managers so that majority of loan application from weaker sections are sanctioned at branch level itself;
- Liberal guidelines in regard to requirement of collateral security by way of mortgage of

land/charge on land or third party guarantee;

- No margin is required for agricultural loans up to Rs.10,000/- for short term, medium/long term;
- The public sector banks have introduced the Agricultural Credit Card for farmers with good track record which enables farmers to secure production credit instantly and dispense with procedural formalities;
- To ensure timely and adequate credit for sustaining agricultural production, banks have been asked to extend a flexible line of credit in the form of cash credit facility which would meet their composite credit requirements;
- Bank have been asked to finance high-tech activities like aquaculture, floriculture, tissue-culture, bio-technology, etc; and
- Bank have been asked to draw up special credit plans with a view to achieving a distinct and marked improvement in the flow of credit to agriculture.

Income Tax Exemption to Resident of Ladakh

2637. SHRI P. NAMGYAL : Will the Minister of FINANCE be pleased to state :

(a) whether the permanent residents of Ladakh were granted exemption of Income Tax since 1962 in view of Chinese aggression and closure of traditional trade with Tibet and Sinkiang;

(b) whether representations had been made by people representing all walks of life of Ladakhis to successive Finance Ministers since 1988-89 for further exemption of Income Tax with effect from 1988-89 due to continuing poor economic conditions of the Ladakhis;

(c) if so, whether the Government propose to examine the issue of granting exemption of Income Tax to the permanent residents of Ladakh; and

(d) if so, the details thereof and if not the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir. Income tax exemption was provided to the residents of Ladakh through the Finance (No.2) Act, 1965 with retrospective effect from 1st April, 1962, in view of the position that the residents of Ladakh had suffered hardship and their trade had been adversely affected as a result of Chinese aggression.

(b) The Government have received some representations for exemption to the people of Ladakh from income tax from the assessment year 1989-90 and subsequent years.

(c) and (d). The Government for the following reasons, is not considering revival of exemption from income tax to the residents of Ladakh :-

- (i) Time to time increase in the exemption limit to the present limit of Rs.40,000/- combined with other tax benefits such as standard deduction, deduction under section 80L, tax rebate under section 88, etc. take care of residents with poor economic conditions.
- (ii) Income-tax exemption which was intended to benefit the poor sections of the people of Ladakh was benefiting the affluent and was being misused by unscrupulous businessmen for laundering their black money through the residents of Ladakh.
- (iii) Income Tax is levied on the basis of the paying capacity of the taxpayer and the place of residence, normally, cannot be a ground for total exemption from income tax.

Retirement Age of High Court Judges

2638. SHRI BALAI CHANDRA RAY : Will the Minister of LAW AND JUSTICE be pleased to state :

- (a) whether there is any proposal to raise the retirement age of High Court Judges; and
- (b) if so, the details thereof?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATURE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) No, Sir.

- (b) Does not arise.

Central Board of Revenue

2639. SHRI ANANT KUMAR HEGDE : Will the Minister of FINANCE be pleased to state :

- (a) whether Government propose to constitute a Central Board of Revenue by merging the Central Board of Direct Taxes and the Central Board of Excise and Customs;
- (b) if so, the details thereof;
- (c) the time by which the proposal is likely to be implemented; and
- (d) if not, the other steps taken for improvement in the efficiency of revenue mobilisation and client services?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) No, such proposal is under consideration at present.

- (b) and (c). Does not arise in view of reply to (a) above.

(d) Various steps have been taken at the policy level for effecting improvement in the efficiency of revenue mobilisation and client services. With this end in view the tax structure has been rationalised and procedures have been simplified. Emphasis has been given to reduce the scope of discretion and minimise litigation. Constant endeavour is also made to create a climate of mutual trust between the Government and tax payers. At the same time, the efficiency of the existing preventive mechanism to deal with tax evasion is being constantly reviewed and strengthened.

Income Tax Exemption to Sports Authority of Karnataka

2640. SHRI K.C. KONDAIAH : Will the Minister of FINANCE be pleased to state :

- (a) whether the Sports Authority of Karnataka has requested for 100% Income Tax exemption for contributions to be made towards 4th National Games;
- (b) if so, whether the Union Government have since rejected the above proposal;
- (c) if so, the reasons thereof; and
- (d) whether the Government propose to reconsider its decision?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) to (d). The Government has not yet taken any decision on the fresh request of Government of Karnataka on behalf of the Sports Authority of Karnataka.

[Translation]

Textile Industry in Madhya Pradesh

2641. SHRI SUKH LAL KUSHWAHA : Will the Minister for TEXTILES be pleased to state :

- (a) The rank of Madhya Pradesh in the field of textile industry in the country;
- (b) the present number of units engaged in the production of handloom, powerloom, synthetic yarn, readymade garments and hosiery in the State;
- (c) the amount spent by the Government during each of the last three years on the development of textile industry in the State; and
- (d) the steps taken by the Government to promote the export of cloth produced by the said units?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) The share of State of Madhya Pradesh in the field of textile industry in the country, in terms of installed spindleage/installed loomage, registered numbers of powerloom and numbers of handloom is approximately 3.2%.