

As far as restructuring of RRBs is concerned, Government have taken a decision to revamp them on a 'Stand Alone' basis. Further, demands regarding benefits to staff involving financial commitments have to be seen in the context of the ongoing exercise of restructuring of RRBs. The RBI has constituted an Expert Group to advise on the restructuring exercise on an ongoing basis.

[English]

Voting rights to Indian Citizens

1172. SHRI AMAR ROY PRADHAN : Will the Minister of LAW AND JUSTICE be pleased to state :

(a) whether the matter regarding allowing Indian citizens living in Indian Enclaves in Bangladesh to cast their votes is pending with the Government/Election Commission of India;

(b) if so, since when; and

(c) the steps taken/proposed to be taken by the Government to take a decision on the issue at the earliest?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) to (c). The requisite information is being collected and will be laid on the Table of the House.

White Paper On Economy

1173. SHRI AMAR PAL SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to issue 'White Paper' on the Indian Economy of the States;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). Economic Survey 1995-96; an update, would be presented to the Parliament today. It would give a synoptic view of the current state of the Indian economy.

Foreign Investment

1174. DR. LAXMINARAYAN PANDEY : Will the Minister of INDUSTRY be pleased to state :

(a) the details of the foreign auto (car) companies which are likely to set up manufacturing units in India;

(b) the present status of their projects and the foreign investment envisaged in each case;

(c) the details of generation of revenue expected through these units and whether these companies have made any expert commitments;

(d) if so, the details thereof;

(e) whether the Government are aware of the wide-spread perceptions that the foreign investors are manoeuvring to acquire complete managerial control in these joint venture companies; and

(f) if so, the steps the Government propose to take to safeguard domestic interests?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b). The details of foreign auto car companies which have set up or are likely to set up manufacturing units in India, their investment and the status of the projects are as under :

S.No.	Name of Foreign Company	Indian Partner	Foreign Equity holding	Present status
1.	Mercedes Benz, Germany	M/s. TELCO	51%	Production commenced
2.	Daewoo, Korea	M/s. DCM	51%	-do-
3.	Peugeot, France	M/s. Premier Automobile Ltd.	50%	-do-
4.	General Motors, USA	M/s. Hindustan Motors	50%	-do-
5.	Ford Motors, USA	M/s. Mahindra & Mahindra	50%	Production expected to commence by the end of 1996-97
6.	Rover Group, UK	M/s. Sipani Auto	2.59%	-do-
7.	Honda Motors, Japan	M/s. SIEL	60%	-do-
8.	Mitsubishi, Japan	M/s. Hindustan Motors	10%	-do-
9.	Hyundai, Korea	-	100%	Production expected to commence by 1997-98
10.	BMW, Germany	M/s. Hero Cycles Ltd.	51%	cleared by FIPB

(c) and (d). Revenue expected to be generated by these units would depend on the build up of their production from year to year. As per current policy, Government is no longer imposing any export obligation on these companies. However, some automobile companies have entered into Memorandum of Understanding alongwith projections of their exports.

(e) and (f). The foreign companies having majority shareholding in the joint ventures would be entitled to have majority on the Board of Directors as per the established policy. This does not however, preclude Indian partners from having any control at all in the joint venture.

Penal Interest on Income Tax

1175. SHRI PRABHU DAYAL KATHERIA : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have recently reduced penal interest on late filing of income tax returns and also on defaults in payment of advance tax; and

(b) if so, the details thereof alongwith the reasons therefor?

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

(b) A copy of the order issued in the matter is enclosed as Statement. The order has been issued in order to avoid undue hardship to the assesses.

STATEMENT

F.No.400/234/95-IT(B)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Direct Taxes

New Delhi, the 23rd, May, 1996.

Order Under Section 119(2) (a) of the Income-tax Act, 1961

In exercise of the powers conferred under clause (a) of sub-section (2) of section 119 of Income-tax Act, 1961, Central Board of Direct Taxes, hereby direct that the Chief Commissioner of Income-Tax and Director-General of Income-tax may reduce or waive interest charged under section 234A, or section 234B or section 234C of the Act in the classes of cases or classes of income specified in paragraph 2 of this Order for the period and to the extent the Chief Commissioner of Income-tax/Director-General of Income-tax deem fit. However, no reduction or waiver of such interest shall be ordered unless the assessee has filed the return of income for the relevant assessment year and paid the

entire tax due on the income as assessed except the amount of interest for which reduction or waiver has been requested for. The chief Commissioner of Income-tax or Director-General of Income-tax may also impose any other conditions deemed fit for the said reduction or waiver of interest.

2. The class of incomes or class of cases in which the reduction or waiver of interest under section 234A or section 234B or, as the case may be, section 234C can be considered, are as follows :

(a) Where during the course of proceedings for search and seizure under section 132 of the Income-tax Act, or otherwise, the books of account another incriminating documents have been seized and for reasons beyond the control of the assessee, he has been unable to furnish the return of income for the previous year during which the action under section 132 has taken place, within the time specified in this behalf and the Chief Commissioner or, as the case may be, Director-General is satisfied having regard to the facts and circumstances of the case that the delay in furnishing such return of income cannot reasonably be attributed to the assessee.

(b) Whether during the course of search and seizure operation under section 132 of the Income-tax Act, cash is seized which is not allowed to be utilised for payment of advance tax instalment or instalments as they fall due after the seizure of cash and the assessee has not paid fully or partly advance tax on the current income and the Chief Commissioner or the Director General is satisfied that the assessee is unable to pay the advance tax.

(c) Any income chargeable to income-tax under any head of income, other than 'Capital gains' is received or accrued after due date of payment of the first or subsequent instalments of advance tax which was neither anticipated nor was in the contemplation of the assessee and the advance tax on such income is paid in the remaining instalment or instalments and the Chief Commissioner or Director General is satisfied on the facts and circumstances of the case that this is a fit case for reduction or waiver of interest chargeable under section 234C of the Income-tax Act.

(d) Where any income which was not chargeable to income-tax on the basis of any order passed in the case of an assessee by the High Court within whose jurisdiction he is assessable to income-tax, and as a result: