

(a) whether in view of the decision taken that seamen employed on Indian flag vessels are on par with other Citizens and their income tax should be deducted at source, the shipowners are complying with this decision of tax authorities ;

(b) whether the seamen have been given full refund or the tax deducted at source ; and

(c) if so, how Government propose to reconcile this contradiction in implementation of Government decision ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S. M. KRISHNA) : (a) The Government have not received any complaint that the shipowners in general are not complying with the existing instructions on deduction of tax at source ;

(b) the question of refund of tax in full, that too in the case of all seamen, does not arise ;

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

#### **Mushroom Growth of Leasing Companies**

\*467. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether there has recently been a mushroom growth of leasing companies in the country ;

(b) if so, the number of such companies with an authorised capital of Rs. 1 crores and above and which of these belong to the Large Industrial Houses ;

(c) whether several large and highly profitable big business houses are planning to diversify their activities into leasing business and use it as a ploy to get a tax shelter ;

(d) whether this Houses by floating such Companies are trying to earn substantial depreciation and save corporate taxes and have the advantage of "in house business" ;

(e) whether this leasing business helps the MRTP companies to increase turnover without increasing the assets ; and

(f) the measures Government proposes to take to regulate leasing business ?

THE MINISTER OF FINANCE : (SHRI PRANAB MUKHERJEE) : (a) to (f) During the period 1st April, 1984 to 31st July, 1984, 26 companies having authorised capital of Rs. 1 crore and above and also having the object, *inter alia*, of leasing were given the approvals under the Capital Issues (Control) Act, for issue of share capital and debentures amounting to Rs. 44.22 crores as against Rs. 59.81 crores to 34 such companies during the financial year 1983-84. The information as to which of these companies belong to large industrial houses is being collected and will be laid on the Table of the House.

Leasing companies do not enjoy any special tax benefit not applicable to other companies and as such use of leasing companies as tax shelter or to save corporate tax does not arise. Since leased assets are not owned by lessee companies, these do not form part of its assets. The companies, engaged in leasing are regulated under the relevant laws and regulations such as Capital Issues (Control) Act, FERA, MRTP, Banking Regulation Act, etc.

#### **Acquisition of a Helicopter Fleet for O.N.G.C.**

\*468 SHRI HARIKES BAHADUR : Will the Minister of DEFENCE be pleased to state :