

(c) whether the Union Government have received any representation from the Government of Kerala in this regard; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) No, Sir. National Highway No. 17 is being kept in a traffic worthy condition and any damages due to rains are being attended to.

(b) During the Seventh Plan and Annual Plan, 1990-91 respectively, estimates amounting to Rs. 22.44 crores and Rs. 10.00 crores were sanctioned for the development of NH-17 in Kerala. Details of the amounts spent for the development and maintenance and repairs of various National Highways in Kerala including NH-17 during the above periods are as under :

	Development (Rs. crores)	Maintenance and Repairs (Rs. crores)
1985-90 (Seventh Plan)	46.30	21.15
1990-91 (Annual Plan)	9.81	4.39

(c) No, Sir.

(d) Does not arise.

**Ordnance Factory and Army Recruitment-Cum-Training Centre at Osmanabad (Maharashtra)**

4150. SHRI ARVIND TULSHIRAM KAMBLE : Will the Minister of DEFENCE be pleased to state :

(a) whether there is any proposal to establish a new ordnance factory and an army recruitment-cum-training centre at Osmanabad in Maharashtra; and

(b) if so, when it is likely to be established?

THE MINISTER OF DEFENCE (SHRI SHARAD PAWAR): (a) No, Sir.

(b) Does not arise.

**Income Tax Charged on Dearness Allowance Credited to G. P. F. Account**

4151. SHRI MAHESH KUMAR KANODIA :  
SHRI RAMESH CHAND TOMAR :  
SHRI PRABHU DAYAL KATHERIA :  
SHRI BHAGWAN SHANKAR RAWAT :

*pleased* Will the Minister of FINANCE be pleased to state :

(a) whether the instalments of the Dearness Allowance credited to the GPF account of officers drawing pay above Rs. 3500 per month are computed for the purpose of income tax;

(b) if so, the rate of income tax being charged thereon;

(c) whether these instalments of Dearness Allowance are given income tax rebate being savings of the officers;

(d) if so, the rate of income tax rebate given thereon; and

(e) whether the rate of income tax in respect of a) above is more than the rebate and if so, the steps proposed to be taken to remove the anomaly of charging higher rate of income tax than the income tax rebate thereon even though these instalments of Dearness Allowance are not paid in cash to the officers ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR):

(a) Yes, the instalment of dearness allowance credited to the GPF account of an employee is included in the total income for the purpose of charging income tax thereon.

(b) The rate of tax applicable to the amount of dearness allowance credited to the GPF account and included in the total income of the employee depends upon the amount of total income.

(c) Yes.

(d) The rebate of income tax is allowed at the rate of 20 per cent of the amount qualifying for the rebate;

(e) In the case of individuals charged to tax at the maximum marginal rate of 20 per cent, the rate of income tax and the rate of rebate is the same. However, in the case of individuals whose income is charged to tax at a higher marginal rate, the rate of income tax is higher than the rate of rebate which continues to be 20 per cent. Since instalments of dearness allowance credited to the GPF account are savings, there is no anomaly under the existing system which needs to be removed.

*[Translation]*

**Setting up of Banks in Co-operative and Private Sectors**

4152. SHRI RAM LAKHAN SINGH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether rules and regulations for setting up of banks in the co-operative sector have been changed;

(b) if so, the details thereof;

(c) whether there is a ban on the registration of banks in the private sector;

(d) if so, the reasons therefor;

(e) whether the Government propose to make some changes in this regard;

(f) if so, the details thereof; and

(g) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b) The permission for setting up of banks in the co-operative sector is granted by the Registrar of Co-operative Societies of the concerned State/Union Territory where the bank is proposed to be set up. Section 22 of the Banking Regulation Act, 1949 (as applicable to Co-operative Societies) inter-alia provides that every co-operative society other than a primary credit society shall before commencing banking business in India, apply in writing to the Reserve Bank of India (RBI) for licence under this Section. Applications for licence are considered by RBI on merit. There has been no change in the legal requirements in this regard.

(c) and (d) Reserve Bank of India has reported that there is no ban on licensing of banks in the private sector