

Curb on Synthetic Bag Units to Save Jute Industry by Imposing Heavy Duties.

7219. SHRIMATI INDUMATI BHATTACHARYA : Will the Minister of FINANCE be pleased to state :

(a) the contemplation of Government in regard to the suggestions that in order to avert the crisis in the jute industry Government should curb the growth of synthetic bag units by imposing heavy duties on their manufacture and/or should waive the tax burden on jute goods ;

(b) the steps, if any, taken/proposed in the matter; and

(c) the burden of direct and indirect taxes on jute industry as compared to such taxes and duties on synthetic units ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Government's attention has been drawn to the reported crisis in jute industry and the need for giving relief to it.

(c) As regards the burden of direct taxes, there is no difference in the rates of tax in respect of income derived from jute industry and synthetic bag units. As regards burden of indirect taxes on jute goods, vis-a-vis. Synthetic jute bags, no study has so far been made.

Accounts in Nationalised Banks by British Nationals of Indian Origin.

7220. SHRIMATI INDUMATI BHATTACHARYA : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has imposed restrictions on opening and operation of Bank accounts in nationalised banks by British nationals of Indian origin and birth staying in India temporarily with residential permits;

(b) if so, the details thereof and the reasons why such restrictions are considered necessary;

(c) whether such persons are required to transfer all their assets in Britain and/or to repatriate the balance of the amount held by them in United Kingdom Banks; and

(d) the details of the Reserve Bank of India's orders and circulars in regard thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) and (b) There is no restriction on Indian nationals and persons of Indian origin resident abroad opening non-Resident accounts with banks in India out of funds remitted from abroad or foreign exchange brought from abroad during their temporary visits to India. Reserve Bank of India has granted general permission to authorised dealers in foreign exchange for opening such accounts. Non-Resident Accounts are, however, required to be designated as Resident accounts immediately upon the return of the account-holder to India for taking up employment, carrying on business or vocation or for any other purpose with the intention of residing in India.

(c) British nationals of Indian origin are required to surrender their foreign currency/declare their balances/assets held abroad to the Control within a period of three months from their arrival. However, general permission to maintain and operate foreign currency accounts has been granted in case they have come to India for employment of a specified duration (irrespective of the period) or for an assignment not exceeding a period of three years.

(d) In pursuance of Government orders issued in 1977, every person in, or resident in, India who owns or holds or who may thereafter own or hold any foreign exchange, whether in India or abroad, expressed in any currency other than the currency of Nepal or Bhutan shall, before the expiration of one

month from the date of this order, or in the case of a person who hereafter owns or holds such foreign exchange, within one month of the date of his so owning or holding, offer the same or cause it to be offered for sale to any authorised dealer against payment in rupees, at the rate for the time being authorised by the Reserve Bank for conversion into Indian currency of the foreign currency in which such foreign exchange is expressed.

This order, however, does not apply to certain specified categories.

Issuing of Bank Drafts without Verification

7221. SHRI HAFIZ MOHD. SIDDIQI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the banks whether be they nationalized or not, contribute to a great deal in black money by issuing bank drafts of large amounts without verifying the genuineness of the party charging exorbitant commission rates; and

(b) if so, whether there is any proposal to issue suitable instructions to the banks to follow certain norms to be issued by your Ministry to check the growth of blackmoney and evasion of taxes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). It may not be correct to say that the banks contribute to a great deal in black money by issuing bank drafts. The banks issue drafts as a normal banking facility and charge commission at rates which are within the ceiling prescribed by Indian Banks' Association.

Missing Currency Notes in Wads Issued by Banks

7222. SHRI HAFIZ MOHD. SIDDIQI: Will the Minister of FINANCE be pleased to state:

(a) whether it has come to the notice of Government that new currency notes in wads with stappling and plastic band intact issued by banks have been found to be short in number when counted later after leaving the counter in good faith;

(b) if so, the procedure to claim the shortage; and

(c) the reasons for such lapse and the remedial measures taken to check the possible fraud in the system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). Reserve Bank of India offices as also the currency chests generally offer to their constituents and members of public who receive notes/note packets from them in payment or in exchange, reasonable facility to verify and satisfy themselves about the correctness of the notes received by them before they leave the counters of the bank. The persons receiving notes from banks are, therefore, expected to verify the correctness of the cash before leaving the counter and point out the shortage or any other deficiency in it to the bank officials on the spot for redressal. In such cases, the deficiency is immediately made good. If this is not done and any deficiency is found later on, the course open to the aggrieved party is to take up the matter with the bank's concerned branch along with the deficient packet for investigation. However, in such cases banks are not expected to accept the responsibility for shortage on the ground that the aggrieved party has failed to point out the deficiency before leaving the counter as the possibility of tampering with the stapled packet outside the bank cannot be ruled out. The Reserve Bank of India has not laid down any procedure for making claims in such cases.

At the Note Presses, the numerical accuracy of the note packets is checked/rechecked at different stages. However, due to human and mechanical factors, in rare cases, a note packet may contain marginal excess or short pieces. The