

(a) whether Government have received report (s) indicating that a large part of the cigarette production in the country is passed out of the factories surreptitiously to evade excise payments with or without the connivance of excise officials;

(b) if so, the details thereof;

(c) the estimated annual loss to public exchequer by such malpractices by cigarette manufactures; and

(d) the steps taken/proposed ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No Sir. The Government has only received reports that M/s. New Tobacco Co. Ltd. has removed packed cigarettes surreptitiously at two places *i.e.* at Calcutta and Guntur. No connivance by the Central Excise officials was noted.

(b) and (c). The Collector of Central Excise, Calcutta-II has issued show cause notices to M/s. New Tobacco Co. Ltd. 24 Parganas, Calcutta demanding the alleged excise duty evasion of Rs. 8,09,50,204. The Collector of Central Excise, Guntur has also registered a case against M/s. New Tobacco Company Ltd., Biccavole in November, 1985 involving evasion of excise duty of Rs. 9 lakhs approximately. However, the estimated loss to public exchequer cannot be calculated on the basis of these cases which are yet to be decided.

(d) The Deptt. has increased vigilance over the cigarette factories to guard against surreptitious removal of cigarettes and officers with impeachable record/integrity are posted in these factories.

Proposal to Disburse Instalments of D. A. in the Form of National Savings Certificates, etc.

2981. **SHRI BHOLANATH SEN :** Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government have received any suggestion that instalments of Dearness Allowance should be disbursed in the form of national savings certificates or other such instruments of savings to ensure

that additional disposal income received by the employees does not spill over the into market;

(b) if so, the details thereof; and

(c) the contemplation of the Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) While no Such suggestion has been formerly received by Government, the Chief Minister of Karnataka had referred to the possibility of paying instalments of Dearness Allowance in the form of National Savings Certificates in his speech in the meeting of the National Development Council held on 8-9 November 1985.

(b) and (c). Dearness Allowance, being a partial compensation for increase in the cost of living, is normally paid in cash. However, at least on one occasion in the past arrears on account of a few instalments of Dearness Allowance was deposited in the Provident Fund accounts of the employees in consultation with the Staff Side of the National Council, J. C. M. Disbursement of instalments of Dearness Allowance in the form of National Savings Certificates can be considered in consultation with the Staff Side.

Amendment of Regional Rural Banks Act

2982. **PROF. NARAIN CHAND PARASHAR :** Will the Minister of FINANCE be pleased to state :

(a) whether any further amendments are proposed to be made to the Regional Rural Banks Act, 1976 in the near future so as to streamline the functioning of these banks as per the demands of the employees working in these banks; and

(b) if so, the details of the amendments proposed in this regard and the purpose and scope thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA) POOJARY) : (a) and (b) **The National Bank for Agriculture and**

Rural Development have proposed some amendments to the Regional Rural Banks Act, 1976 with a view to streamlining the organisational structure etc. of the Regional Rural Banks. Proposals in this regard when concretised will come before the Houses of Parliament in the form of legislative proposals.

Incentives for Persons Declaring True Income

2983. PROF. NARAIN CHAND PARASHAR : Will the Minister of FINANCE be pleased to state;

(a) whether any incentives have been announced by Government for those persons who declare their income;

(b) if so, the nature of incentives offered and whether those making such declarations would be exempted from penal provisions of the Income Tax Act which they would have attracted otherwise; and

(c) if so, the number of persons who have come forward to make such declarations in the first fortnight of its declaration and the likely trend in future ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Government has assured that the assessee, both old and new, who want to come forward voluntarily to make a full and true disclosure of their income can do so by filing estimates of Advance tax based on true incomes for the current year, by March 1986, without fear of any penal consequences such as penalty or prosecution. It has also been clarified that such assessee would not be subjected to any roving enquiries nor would their earlier assessments be opened/reopened only on the basis of such higher estimates.

(c) It is not possible to ascertain the exact number of persons who have made such voluntary compliance. However, the collection of Income-tax (including corporation tax) has considerably increased. Upto 31-10-1985 it was Rs. 2100.35 crores as against Rs. 1674.45 crores in the corresponding period of last year, thus recording an increase of Rs. 425.90 crores.

The future trend of voluntary compliance is expected to be brighter.

Opening of New Branches of Banks in Rural Areas during Seventh Plan

2984. SHRI JAGANNATH PATTA-NAIK : Will the Minister of FINANCE be pleased to state :

(a) the policy of Government in regard to the opening of new branches of banks in rural areas of the country;

(b) the total number of bank branches proposed to be opened during the Seventh Five Year Plan period in the rural areas; and

(c) the performance of the bank branches already functioning the rural sector *vis-a-vis* the urban bank branches ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Branch Licensing Policy for 1985-90 has been finalised recently by Reserve Bank of India (RBI). The main objective of the policy is to achieve a coverage of 17,000 population per bank office in rural and semi-urban areas of each block and to eliminate large spatial gaps in the availability of banking facilities. RBI has advised the State Governments and the Lead Banks to identify unbanked pockets in various blocks and the question of opening more branches would be considered in the light of branch licensing policy on the basis of the lists of centres received from the State Governments and requests received from the banks. The total number of branches to be opened during the Seventh Plan Period has not been quantified. This would depend on the number of centres identified as per RBI guidelines.

(c) RBI has not carried out any study to compare the relative performance of rural, urban and metropolitan branches. As the nature of operations, potential for business and availability of infrastructural facilities in rural, urban and metropolitan areas are not uniform, any comparison between the branches located in such areas may not be appropriate.