

(a) the tax deducted at source from various payments on account of interest, commission and contract charges during the past two years as also the amount which was refunded out of it;

(b) the details as to how the Tax Deducted at Source statement is checked and how it is ensured that the amounts so deducted at source were deposited in the treasury in time; and

(c) if there is no such arrangement to check it, the corrective steps proposed in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) The amounts of tax deducted at source from the various payments during 1985-86 are as under:

(In crores of rupees)

Interest	674.16
Insurance commission	9.38
Payment to Contractors	295.73

The figures for 1986-87 are not yet ready. As regards the commission, separate figures are available in respect of Insurance commission only. No separate registers have been prescribed for the refunds made separately under various heads and as such the amounts refunded out of the above mentioned amount are not available;

(b) Income-tax Rules 37, 37 (2A), 37 (2C) and 37 (2D) enjoin the persons making deduction of tax from payments made relating to interests etc. to send to the concerned Income Tax Officer, Statements of such payments in the prescribed forms, namely Form Nos. 25, 26A, 26C, 26D, 26E and 26F. These forms provide in detail information relating to the name of the assessee, the amount of tax deducted at source, the date of payment of tax so deducted into the treasury etc. The Income Tax Officers are required to watch the submission of such forms by due date. They are also required to maintain register to watch deduction of tax payment of such deduction

into the treasury etc. The cases of non-compliance which come to the notice of the Income-Tax Officer are liable to consequential penal action.

(c) Does not arise in view of reply to (b) above. However, constant efforts are being made to improve the system.

Banking Facilities in Pithoragarh and Almora Districts of U.P.

8489. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) the minimum radius in kilometres within which Government propose to provide bank facility in hilly areas of the country;

(b) whether he is aware of the fact that there are several places in Pithoragarh and Almora districts of Uttar Pradesh where bank facility is not available even within a radius of 25 kilometres; and

(c) if so, the steps proposed to be taken by Government to remedy this situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The objective of the current Branch Licensing Policy for 1985-90, is to achieve a coverage of 17,000 population in the rural and semi-urban areas of each development block. The Policy also envisages that a rural branch should normally cover an area of 200 sq.kms. and a rural branch should be available within a distance of 10 kms. from each village. For Hilly tracts, regions which are sparsely populated and tribal areas a relaxed population coverage norm of 12,000/10,000 has been prescribed. Reserve Bank of India (RBI) has reported that 15 centres in Almora District which were not having banking facilities within a distance of 10 kms., included in the lists of identified centres received from the State Government of Uttar Pradesh, have not been considered for allotment to any bank due to meagre population, ranging between 100 to 480, at these centres. RBI considers that opening of bank offices at these

centres would not be a viable proposition. RBI has reported that as at the end of December, 1986 there were 69 bank offices in Almora District and 33 bank offices in Pithoragarh District. The average population per bank office (APPBO) was 11,000 in Almora District and 14,500 in Pithoragarh District. The APPBO in these districts compare favourably with All India average population of 15,000 in respect of rural and semi-urban areas.

In respect of deficit blocks in these two Districts on the basis of population criteria, additional centres if identified by the Group and approved by the State Government would be eligible for consideration by RBI under the Policy norm.

**Opening of a State Bank of India
Branch in Chillyanaula, Almora**

8490. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether there is a proposal to open a branch of State Bank of India in Chillyanaula, Almora District Uttar Pradesh during the year 1987-88;

(b) if so, the time by which it is likely to be opened; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). The information is being collected and will be laid on the Table of the House to the extent possible.

[English]

**Tax on Gifts to Mentally
Retarded Persons**

8491. SHRI V.S. KRISHNA IYER: Will the Minister of FINANCE be pleased to state:

(a) whether gift tax is being levied on gifts made in favour of mentally retarded persons;

(b) if so, whether Government propose to exempt such gifts from the levy of gift tax; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Yes, Sir.

(b) No, Sir.

(c) Gifts of value upto Rs. 20,000 are exempt from gift-tax. In view of this, the Government does not consider it necessary to grant any further specific exemption in respect of gifts to mentally retarded persons.

[Translation]

**Supply of Inferior quality of Pump
sets to farmers in Bihar**

8492. SHRI KUNWAR RAM: Will the Minister of FINANCE be pleased to state:

(a) whether the quality of pumping sets supplied to farmers by the nationalised banks in Bihar is very poor; and

(b) if so, the action taken against the officers found responsible for supplying inferior quality pump sets to farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). The National Bank for Agriculture and Rural Development (NABARD) has reported that it had earlier conducted a sample study regarding the quality of pump sets financed by banks. The sample study included an in-depth enquiry in a few selected geographical areas of the country including the State of Bihar. According to the study, the banks were not generally forcing the borrowers to buy any particular brand of pump set and the choice of make of pump set was left to the borrower/s and that most of the pump sets financed by banks bear ISI quality mark. The cases of sub-standard pump sets financed were found to be negligible.

NABARD has further reported that its refinance facilities are available only in respect of finances given for ISI mark or