

Audit objections regarding payment of Central Excise Duty by M/s. Pure Drinks (New Delhi)

2838. SHRI KRISHNA PRATAP SINGH: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 1693 on the 28th November, 1980 regarding audit objection with regard to payment of Central Excise Duty by M/s. Pure Drinks (New Delhi) and state:

(a) the details of the two objections; and

(b) whether these objections have since been withdrawn and if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA):

(a) the details of the two audit objections are as under:—

(i) The first objection pertained to the exemption availed of by M/s. Pure Drinks (New Delhi) Limited in terms of notification No. 211/77-CE dated 4-7-1977. According to the said notification, first fifty lakh bottles of aerated waters not containing extracts of Cola (Kola) nuts cleared during any financial year, were exempt from so much of the duty of excise leviable thereon as was in excess of twentyfive per cent ad valorem. Notification No. 211/77-CE dated 4-7-1977 was superseded on 1-3-1979. The Audit was of the view that the concessional rate of duty prescribed under the said notification was available for 11 months only during the financial year 1978-79, therefore the concessional rate of duty was proportionately admissible for 45,83,333 bottles and not for fifty lakh bottles. It was contended by the Audit that excess clearance of 4,16,667 bottles at the concessional rate of duty was erroneous thereby resulting in short payment of duty by Rs. 75,796.93 (Rupees seventyfive thousand seven hundred nintysix and paise ninety-three).

(ii) As regards the second audit objection, during the course of local audit of M/s. Pure Drinks (New Delhi) Limited in June, 1976, it was observed that the assessee had been adding a uniform amount of Rs. 1.77 per crate to the price irrespective of the distance involved within the area of operation. The transportation charges so charged were considered to have the attributes of equalised freight. This practice prevailed from 1-10-75 to 16-3-76. Thereafter, the specific rates of duty was applicable. The Audit held that equalised freight so charged formed part of the assessable value and non-inclusion of this equalised freight in the assessable value resulted in short assessment of duty of Rs. 5,83,168.00 (Rupees five lakh eightythree thousand one hundred sixtyeight only).

(b) in the case of audit objection at (i) above, since there was no provision for computation of month-wise pro rata clearances under notification No. 211/77-CE dated 4-7-1977, the objection was not admitted by the Department. The Audit agreed with this view and accordingly dropped this objection.

The second audit objection related to the question of inclusion in the assessable value of freight charges for site delivery in Delhi/New Delhi etc. This objection was not admitted by the Department as different freight charges were being charged for different stations and, therefore, the question of equalised freight was not involved and transportation charges are not liable to be included in the assessable value.

Unsystematic exploration by mine owners

2839. SHRI AJIT KUMAR SAHA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that in many of the lease hold areas the mine owners had not carried out any

systematic exploration and long term planning of the mines; and

(b) if so, what steps Government propose to take in this regard?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE):

(a) Instances have been reported where mine owners have not carried out systematic exploration and long term planning of mines.

(b) Indian Bureau of Mines, Director General of Mines Safety and State Directorates of Mining and Geology inspect the Mines from time to time and take appropriate action under the relevant rules and regulations.

Payment of conveyance allowance to officers of Chandni Chowk Branch of Bank of India

2840. **SHRI PIUS TIRKEY:** Will the Minister of FINANCE be pleased to state:

(a) whether it is true that a sizeable amount of money in June-July, 1981 was paid to certain officers of Chandni Chowk Branch of Bank of India in the form of conveyance allowance instead of overtime; and

(b) if so, what are the details of the same and reaction of Government thereto?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGAIBHAI BAROT):

(a) and (b). The officers of the bank are not entitled to payment of overtime allowance. They are also not normally entitled to any conveyance allowance unless, travelling at Bank's instance or permitted under bank's regulations. However, it has been the practice to reimburse actual travelling expenses incurred by an officer if he is required to sit quite late in the office in the exigencies of work and is, therefore, required to travel by Scooter/taxi due to non-availabi-

lity of usual modes of public transport.

Bank of India has reported that an amount of Rs. 2204.30 was paid as actual conveyance charges to about 25 officers between 12-6-1981 to 1-7-1981. During this period on account of some special circumstances, these officers were required to sit late in the office to complete urgent work relating to clearing of cheques.

Overdraft Regulation Scheme

2841. **SHRI SAMAR MUKHERJEE:** Will the Minister of FINANCE be pleased to state:

(a) whether any discussion on the Overdraft Regulation Scheme (as introduced in October 1978) was made in advance with State Governments since the matter concerns the States vitally;

(b) if not, the reasons; and

(c) if so, the salient points of the discussion?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA): (a) to (c). Overdrafts are in contravention of Article 293(3) of the Constitution and the agreements entered into under Section 21(A) of the Reserve Bank of India Act by the States. The overdraft regulation scheme was first introduced with effect from the 1st May 1972 by the Reserve Bank of India in consultation with the Ministry of Finance and the Planning Commission. The Reserve Bank and each State Government entered into an agreement accordingly. Later the scheme was slightly modified with effect from 1st October 1978. Under this revised scheme, the normal ways and means limits of all the State Governments were doubled. In pursuance thereof, the Reserve Bank addressed all the State Governments for executing Supplementary Agreements. All