

the Income-tax Act, 1961 are also applicable in the case of Nationalised Banks. This Circular was issued only with a view to clarifying that the interest on the deposits with the nationalised banks would also qualify for inclusion in the categories of income exempt tax upto Rs. 3,000/-. Thus it is not correct to say that the Circular was issued on finding that the Government are losing revenue.

The provisions of section 80-L are applicable to all banking companies to which the Banking Regulation Act, 1949, applies (including any bank or banking institution referred to in section 51 of that Act) and not only to nationalised Banks.

#### **Circular on Taxability of Bank Compensation Money**

1742. SHRI CHANDRA SHEKHAR SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the Central Board of Direct Taxes had recently issued a clarificatory circular relating to taxability of Bank compensation money, because it was being treated as dividend as per special definition under Section 2 (22) of the Income-tax Act ;

(b) if so, whether he would lay a copy of it on the Table of the House ;

(c) the need for issuing such a clarification and whether legal opinion was sought on it from the Law Ministry ; and

(d) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) Yes, Sir.

(b) A copy of the Circular is placed on the Table of the House. [*Placed in Library.* See No. LT—1137/71].

(c) It was considered necessary to apprise the share-holders of the nationalised banks the legal provisions about the taxability of distribution made out of the compensation received by those banks as a result of nationalisation. The Ministry of Law was consulted in the matter.

(d) The question does not arise.

#### **Rules governing bringing of Personal effects from Abroad**

1743. SHRI CHANDRA SHEKHAR SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether Indians returning from abroad are allowed under the Customs Regulations to bring their personal cars as part of their belongings ;

(b) if so, on what condition ;

(c) the present maximum limit, in terms of Indian currency, allowed to Indians returning from abroad for bringing their personal belongings under the Customs (Change of Residence) Rules ; and

(d) whether a copy of these Rules, as amended upto-date, will be laid on the Table ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) and (b). The Chief Controller of Imports and Exports, issues Customs Clearance Permits, for the importation of cars by Indian Nationals under certain conditions. The conditions under which Customs Clearance Permit for importation of cars by Indian Nationals are issued are listed in the statement laid on the Table of the House. [*Placed in Library.* See No. LT—1143/71]. Customs duty is charged on such cars.

(c) There is no maximum limit, in terms of Indian currency for personal belongings which are admissible for import free of customs duty under the Transfer of Residence Rules.

(b) An upto-date copy of the Transfer of Residence Rules, 1969, issued *vide* Notification No. 98/F.No. 7/40/69—Cus. VI dated the 21st June 1969, published in the Gazette of India of the same date, has already been laid on the Table of the House. A copy is also given in statement—II laid on the Table of the House. [*Placed in Library.* See No. LT—1143/71].

#### **Housing and Office Accommodation for Income-tax Officers in U.P.**

1744. SHRI B. R. SHUKLA : Will the Minister of FINANCE be pleased to state :

(a) whether there are no buildings for housing the Income-tax Offices and for resi-

dential purposes of the officers concerned in many of the Districts of Uttar Pradesh ; and

(b) whether Government propose to take steps to provide housing accommodation for offices and residences for the Income-tax Officers in Bahraich and Gonda ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) Departmental office buildings are available at eight stations ; departmental residential accommodation for Income-tax Officers is available at one station, and at another, departmental building is used as office-cum-residence of the Income-tax Officer. At other places, accommodation for offices has been hired in private buildings some of which are used as office-cum-residence of Income-tax Officers.

(b) At Gonda, accommodation has been hired and is used as office-cum-residence of the Income-tax Officer. The Income-tax Officer, Bahraich, is at present functioning at Gonda. At Bahraich, the hiring of a building for office-cum-residence for the Income-tax Officer has been negotiated. Income-tax Officer, Bahraich, is likely to start functioning from Bahraich itself from 1-12-1971, the date from which the building is expected to be ready for occupation.

#### Uniform Rate of Central Excise Duty on Tea

1745. SHRI BISWANARAYAN SHASTRI : Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering steps for introducing a uniform rate of Central Excise Duty on tea ; and

(b) if not, the reason for maintaining varying rate of Central Excise Duty which is very high in upper Assam ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) There is no such proposal under consideration of the Government at present.

(b) Varying rates of Central Excise duty were introduced in September, 1958 with a view to spreading to total Central Excise Tax burden equitably among different tea growing

areas on the basis of their capacity to bear the incidence as measured by the prices fetched and other natural factors which affected quality, yield per hectare, cost of production per kilogram price realisation per kg. etc. Varying rates of excise duty on tea had also been initially fixed and revised from time to time keeping in view the export performance of Indian tea in the world market. Assam tea produced in Zone I pays duty at the rate of 25 paise per kg., in Zone II at the rate of 50 paise per kg. and in Zone V (Upper Assam) at the rate of Rs. 1.15 per kg. The rate of duty on Upper Assam tea falling in Zone V is less than that on Darjeeling tea (Rs. 1.50 per kg.) produced in Zone III. After abolition of export duty and introduction of *ad-hoc* rebate of excise duty on export of tea in 1970, the net incidence of duty on Assam tea, even after taking into consideration the increased rate of excise duty, has reduced, since much larger quantity of tea produced in Upper Assam is exported as compared to teas produced in other areas except Darjeeling. The higher rate of excise duty on Upper Assam teas consumed internally is justified by the higher prices they fetch and also serves as an inducement for diverting quality tea from domestic consumption to export.

#### Cut in Non-Plan Expenditure

1746. SHRI BANAMALI PATNAIK :  
SHRI P. GANGADEB :  
SHRI P. M. MEHTA :

Will the Minister of FINANCE be pleased to state :

(a) whether the Prime Minister wrote to the State Governments suggesting cuts in Plan/non-Plan expenditure during the current financial year in view of the extraordinary situation created by the Bangla Desh developments and the widespread floods ;

(b) if so, the reaction of the State Governments thereto ; and

(c) the outcome thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) Yes, Sir. In the context of the massive expenditure consequent on the influx of refugees from Bangla Desh, the Prime