

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3875
ANSWERED ON:22.08.2003
ACCOUNT PAYEE CHEQUES FOR MATURITY AMOUNTS
SURESH KODIKUNNIL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that the present practice of issuing account payee cheques for maturity amounts above Rs.20,000 under National Savings Scheme causes much inconvenience to the people in villages, who do not maintain accounts in banks to encash the cheque; and

(b) if so, the corrective steps proposed to mitigate the genuine grievance of the villagers?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a): Certain references have been received pointing out procedural delays and consequent inconvenience involved in obtaining maturity amounts above Rs.20,000/- under National Savings Scheme by account payee cheques.

(b): The requirement of repayment of all deposits exceeding Rs.20,000/- by account payee cheques is specified in section 269T of the Income-tax Act, 1961, with a view to check tax evasion. It has not been found feasible to relax the said requirement.