

Searches against Tax Evaders

748. SHRI BEKAL UTSABI: Will the Minister of FINANCE be pleased to state;

(a) what are the details of the searches carried out by the Income Tax Department against tax evaders in various parts of the country during May-June, 1988;

(b) what is the outcome of the searches made; and

(c) what action has been taken against the offenders?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) and (b) The Income-tax Department conducted 1140 searches in various parts of the country during the period May-June, 1988. These resulted in the seizure of prima-facie unaccounted assets worth approximately Rs. 23 crores, 2 lakhs, 6 thousand. The persons searched, in their statements during the course of the search., admitted concealment of income to the tune of Rs. 25 crores 48 lakhs 84 thousand.

(c) Appropriate action under the Direct Tax Acts is taken in all these cases.

Concessions on Accumulated Income-tax Arrears

749. SHRI BEKAL UTSABI: Will the Minister of FINANCE be pleased to state;

(a) whether Government propose to allow concessions in interest on accumulated income tax arrears; and

(b) if so, what are the broad outlines of the proposal?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE

IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) Yes, Sir.

(b) The main features of the scheme are as under:—

(i) the scheme will be in operation from 1-7-1988 to 30-9-1988;

(ii) the scheme will be applicable to all income-tax demands certificated to the Tax Recovery Officers upto 31-3-1986;

(iii) the tax payers are entitled to a rebate of 50 per cent of the interest chargeable u/s 220(2) of the Income-Tax Act if they make the full payment of arrears demand indicated in (ii) above together with 50 per cent of the interest during the period stated in sub-para (i).

Programme for Rural and Semi-Urban Financing

750. SHRI PARVATHANENI UPENDRA:

SHRI RAM NARESH YADAV:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank has devised the Service Area Approach as a new programme for rural and semi-urban financing by scheduled commercial banks and regional rural banks;

(b) if so, what are the details thereof;

(c) whether the SAA will legitimise loan melas, putting an end to the little discipline left in the rural financing circles; and

(d) if so, whether Government propose to reconsider this programme?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF

FINANCE (SHRI EDUARDO FALEIRO): (a) Reserve Bank of India (RBI) has issued comprehensive guidelines to commercial banks including Regional Rural Banks on the implementation of the 'Service Area Approach' which involves assigning of specific areas to branches located at rural and semi-urban centres.

(b) The service area approach involves five distinct stages namely:—

(i) identification of the specific service area for each rural and semi-urban branch;

(ii) survey of the villages in the service area for assessing the potential for lending for different activities and identification of beneficiaries for assistance;

(iii) preparation of credit plans on an annual basis for the service area by each bank branch;

(iv) co-ordination between credit institutions on the one hand and field level development agencies on the other, on an on-going basis for the effective implementation of the credit plans; and

(v) continuous system of monitoring the progress in the implementation of the plans and individual systems.

(c) and (d) In the 'Service Area Approach', it would make a bank branch responsible for meeting all genuine credit requirements of eligible borrowers living in a group of villages; Scattered lending over wide areas and the consequent dilution in the standards of post disbursement supervision of credit would be replaced by organised and planned lending; and the Credit Plan would be drawn up at the grass root level. Therefore involvement and commitment of the Branch Manager would be maximised. Whenever credit camps are considered necessary and convenient to the beneficiaries, banks can organise such camps.

As credit camps are organised for the benefit of the Weaker Sections, there is no proposal at present to reconsider the matter.

Forecast by IMF regarding Rise in the Prices of Non-fuel Commodities

751. SHRI PARVATHANENI UPE-NDRA: Will the Minister of FINANCE be pleased to state:

(a) whether the International Monetary Fund has forecast a further rise in the prices of non-fuel commodities in the current year; and

(b) if so, what action Government have taken to contain price rise and reduce the effect of inflation?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) Yes, Sir. The IMF forecast relates to world prices of commodities, and not to prices in India.

(b) The specific measures taken by the Government to curb the price rise include steps to optimise food-grains production, strengthening of the Public Distribution System, augmented imports and release of essential commodities like pulses and edible oils, strict economy in government expenditure, restraint on money supply growth, selective credit controls and intensive action against profiteers and hoarders.

Environmentalists Opinion on Conservation

752. SHRI PARVATHANENI UPE-NDRA: Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether leading environmentalists feel that India's vast biological diversity faces peril unless urgent action is taken to evolve a realistic approach on conservation; and