

**RE. MISUNDERSTANDING
BETWEEN SOME MEMBERS
OF PARLIAMENT AND
MINISTER**

MR CHAIRMAN: Yesterday both Mr. Matto and Mr. Kulkarai asked the Chair to intervene in the kind of misunderstanding that had arisen between some Members of Parliament and a Minister, and I said I would look into it. Today some leaders of the parties have given me a letter. But I understand that the matter has been very amicably settled and that the Members of Parliament are going to meet the Minister. So, the matter stands closed.

Now Mr. Vishwanath Pratap Singh will make a statements

SHRI GHULAM RASOOL MATTO (Jammu and Kashmir) : Sir, I have to make a little observationj

MR CHAIRMAN : No observation. It has been closed. Pleased don't rake it up again All is well that ends well.

"SHRI GUHLAM RASOOL MATTO : Not on this point I have to make only a general observation that two Members are retiring. .

MR. CHAIRMAN : Not now, afterwards. No, it will not be recorded. Nothing will go on record.

STATEMENT BY MINISTER

**Scheme for compounding of offences
and settlement of Court cases re-
lating to Customs and Excise
duties**

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : Sir, I rise to make an announcement regarding a scheme of compounding of offences and settlement of court cases relating to customs and excise duties.

As the Hon. Members are aware 1985-86 has been an important silestone in the history of taxation the country. The year saw a number of measures of rationalisation of the tax structures and a high degree of success in the matter of collection of taxes. The collections from personal income tax rose by as high as 45 % during the year as compared to the previous year. During the year, the drive against tax evaders was also stepped up.

In the matter of indirect taxes, the collections during 'the year were 25% more than the collections during the previous year. A new Customs Tariff based on the Harmonized System of Nomenclature was brought out. The Central Excise Tariff was aligned to the Customs Tariff.

During the drive for revenue collections of customs and excise duties, the Government had to face certain problems. It was found that a large amount of money of the order of Rs. 2,500 crores was blocked in courts of law many of these cases relate to the so-called post-manufacturing expenses. Not withstanding the efforts made by the Department, it appears that the collection of the revenue blocked is likely to take considrable time.