

**Development of Tourism in the Hill Districts of Uttar Pradesh**

3778. SHRI KRISHNA NAND JOSHI: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether his Ministry has formulated any comprehensive scheme for the development of tourism in the hill districts of Uttar Pradesh; and

(b) if so, the details thereof?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI A. P. SHARMA): (a) and (b). No, Sir, there is no proposal in the Central Sector to formulate a comprehensive plan for the development of tourism in the hill districts<sup>1</sup> of Uttar Pradesh. However, subject to the availability of funds, it is proposed to develop trekking facilities on selected routes in the hill areas of Uttar Pradesh.

**मैसर्स हिमालयन प्रोडक्ट्स एंड इंडस्ट्रीज प्राइवेट लिमिटेड, काठगोदाम, नैनीताल पर छापा**

1779. श्री लखन सिंह : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि मैसर्स हिमालयन प्रोडक्ट्स एंड इंडस्ट्रीज प्राइवेट लिमिटेड, काठगोदाम, जिला नैनीताल, उत्तर प्रदेश के यहाँ मारे गए छापे में 50 लाख रुपये से अधिक राशि के अवैध लेख-जोखे का पता चला है ; और

(ख) यदि हाँ, तो इस सम्बन्ध में व्योरा क्या है तथा सरकार ने उक्त फर्म के विरुद्ध क्या कार्यवाही की है ?

**Raid on the premises of M/s. Himalayan Products and Industries Private Limited, Kathgodam, Nainital**

1779. SHRI LAKHAN SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that an unaccounted turn-over of more than fifty lakh rupees was unearthed in a raid conducted at the premises of M/s. Himalayan Products and Industries Private Limited, Kathgodam, District Nainital, Uttar Pradesh; and

(b) if so, what are the details in this regard and what action Government have taken against the firm?

वित्त मंत्रालय में राज्य मंत्री (श्री सवाई सिंह सिसोदिया) : (क) इस मामले में आयकर विभाग ने कोई तलाशी नहीं ली है।

(ख) ऊपर भाग (क) को ध्यान में रखते हुए यह प्रश्न नहीं उठता।

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAISINGH SISODIA): (a) No search has been made by the Income-tax department in this case.

(b) in view of (a) above question does not arise.]

**income-tax Rules regarding Annuity Policy for retiring employees through Ir.I.C.**

1780. SHRI M. R. SHERVANI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Rule 89 of the Income-tax Rules makes it compulsory for the Superannuation Funds to arrange for Annuity policy for a retiring employee through the Life Insurance Corporation of India only;

[ ] English translation.

(b) whether it is also a fact that the Life Insurance Corporation of India pays only about 7.5 per cent return on the corpus for the stipulated period and thereafter forfeits the entire corpus; and

(c) if so, what is the justification or rationale behind this rule?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) Yes, Sir.

(b) and (c) Rule 3(b) of Part B to the Fourth Schedule to the Income-tax Rules, 1962 provides that the superannuation funds shall have for its sole purpose the provisions of annuities for employees in the trade or undertaking on their retirement at or after specified age etc. Contributions by employers to approved superannuation funds are allowed as deduction under Section 36(1) (iv) of the Income-tax Act, 1961 in computing the Income of the employer. From September, 1956 carrying on of life insurance business is almost exclusive privilege of the Life Insurance Corporation of India. They are better able to determine the annuity payable to the retiring employees by taking into account several factors, such as, state of health, rate of interest, normal life expectancy and other long term factors, which are also relevant for determining the extent of commutation of annuity under rule 90 of the Income-tax Rules, 1962. To secure benefit to the employees on retirement, the employers were to be divested of the control over the fund by insisting on purchase of annuity policy from the LIC. LIC has worked out its annuity rates for approved superannuation funds on the assumption of rate of interest of 7 per cent. The rate of interest, however, is liable to change in the future.

Life annuity contracts provide for payment of annuities during the life time of the insured annuitant. It is in the very nature of the life annuity contract that in return for the capital outlay only the annuity is payable and

that payments ceases on the death of the annuitant. Such cessation is not in the nature of forfeiture. Rule 90 of the Income-tax Rules, 1962 provides for commutation of annuity policy to a certain extent which is exempt from tax under section 10(10A) of the Income-tax Act, 1961 to a certain limit.

#### **Plan for renovation of Textile Mills under National Textile Corporation**

1781. SHRI KALPNATH RAI: Will the Minister of COMMERCE be pleased to state-

(a) whether the National Textile Corporation has decided to embark upon a Rs. 220 crore new plan for the expansion and renovation of sick textile mills under its control during the Sixth Five Year Plan period;

(b) if so, how many sick textile mills will be covered under this plan;

(c) whether any world financial body is also financing the plan; and

(d) if so, what are the details in this regard?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE):- (a) Yes, Sir.

(b) One hundred and one.

(c) No, Sir.

(d)<sup>1</sup> Does not arise.

#### **Posting of Tax Assistants in various Circles**

1782. SHRI SYED AHMAD HASHMI : Will the Minister of FINANCE be pleased to state:

(a) whether the Central Board of Direct Taxes have laid down any guidelines/norms for the posting of Tax Assistants in various Circles/ Wards/Districts in Income-tax Department; if so, what are the details thereof;