

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY PLANNING AND WORKS, HOUSING AND URBAN DEVELOPMENT (SHRI B. S. MURTHY): (a) The total number of pumps installed to lower subsoil water is 303 and an approximate annual expenditure of Rs. 8 lakhs is being incurred on them.

(b) and (c) Except for a few pumps, the water of these pumps is not being utilised for irrigation purposes for the following reasons :—

(i) the water is highly saline and is not suitable for gardening purposes;

(ii) the location of some of the pumps is such that it will not be practicable to utilise the water for gardening purposes.]

WORKING OF NATIONALISED BANKS

502. SAJDAR HARCHARAN SINGH DUGGAL : Will the PRIME MINISTER be pleased to state:

(a) whether any changes have since been introduced in the working of the fourteen banks which were nationalised by Government in July, 1969;

(b) if so, the details thereof;

(c) whether Government have made an assessment of the impact of the nationalisation of those banks on the Indian economy; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI): (a) and (b) As a sequel to the nationalisation of the 14 banks and pending the constitution of Boards of Directors for the banks (which is under consideration of Government), the general superintendence and administration of the affairs of the banks is vested in the Custodians. To help the Custodians, however, an Internal Management Committee consisting of the Custodians and senior Officers of the banks has been set up in each bank. A representative of the Reserve Bank of India also attends meetings of these Committees.

[1 English translation.

As regards credit policy to be followed by the nationalised banks they have been advised to attach more importance to the soundness of the projects than to security offered. They have also been advised to make advances in an increasing measure to the weaker sections of society such as small farmers, small traders, artisans, self-employed persons, etc.

(c) and (d) It is expected that the massive deposit mobilisation and the lending policies to be adopted by the nationalised banks will help rapid and equitable growth of the economy and enable in particular small men engaged in socially productive endeavour to make use of institutional funds, to further the development of under-developed areas and to increase employment opportunities in diverse fields. It is, however, too early to make an assessment of the impact of the nationalisation of banks on the Indian economy.

TAX LIABILITY OF MINISTERS

503. SHRI K. C. PANDA : DR. B. N. ANTANI: SHRI M. RUTHNASWAMY:

Will the PRIME MINISTER be pleased to state :

(a) whether it is a fact that bungalows, cars, telephones and other amenities offered to Ministers are not grossed with their incomes while assessing their tax liability;

(b) whether these perquisites received by ordinary citizens are taxed; and

(c) the rule in the Income-tax Act which prevents the Ministers from paying tax on perquisites?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI): (a) No, Sir. The amenities are treated as perquisites and the value thereof is computed as provided in Rule 3 of the Income-tax Rules, 1962 and included in the taxable salary of the Ministers.

(b) Yes, Sir.

(c) Does not arise.