

[*Translation*]

**Income Tax on Allowances to Staff of Public Sector Undertakings and Private Institutions**

3700. SHRIGOVINDRAONIKAM: Will the Minister of FINANCE be pleased to state:

(a) whether some public sector undertakings and private institutions pay salary to their staff by dividing it in different allowances in order to save income tax;

(b) whether the Government propose to take into account all these allowances for income-tax purposes; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Under the Income-tax Act, 1961 salary is to include, inter-alia, any payment due to or received by an employee from, inter-alia, his employer. However, exemption from tax is provided for in respect of certain allowances subject to the conditions and limits laid down in the Act. Any such allowance in excess of the specified limits is liable to tax.

(b) and (c). In view of answer to part (a) of the question, replies to these parts do not arise.

[*English*]

**Devolution of Funds to States**

3701. SHRIMATI VASUNDHARA RAJE: Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Rajasthan has requested the Union Government to re-examine the existing

criteria of devolution of funds to the States;

(b) if so, whether the Union Government have considered the request of the State Government; and

(c) if so, the details of the decision taken by the Union Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE): (a) Government of Rajasthan has requested for a review of the basis on which funds for calamity relief are now released to the States.

(b) and (c). The present arrangements for release of funds for calamity relief flow from the recommendations of the Ninth Finance Commission which Government have accepted. There is no proposal as of now for a reconsideration of these arrangements.

**Evaluation Study of "SEEYU"**

3702. SHRI BHUWAN CHANDRA KHANDURI: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No.2492 on August, 9, 1991 and state:

(a) the criteria fixed for choosing places for evaluation study of Self-Employment to Educated Unemployed Youth Scheme by the Ministry of Industry and the reasons for not including Garhwal region for such study; and

(b) the nature and constitution of District Level Consultative Committees and State Level Bankers Committee entrusted with the task of undertaking such evaluation study?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) With a view to assess the

impact and to suggest improvements in implementation of Self Employment to Educated Unemployed Youth (SEEUY) Scheme, guidelines were issued by the Development Commissioner, Small Scale Industries in 1986 to all State Governments/ Union Territory Administrations for carrying out evaluation of SEEUY Scheme on a regular basis. This evaluation is undertaken by the State Governments/Union Territory Administrations themselves through independent organisations with the prior approval of the Development Commissioner (SSI), New Delhi. No criteria is fixed for choosing places for evaluation study for SEEUY Scheme and the choice is left to the State Governments for selection of districts. However, the coverage of the study is confined to 2 to 5 districts in each State in a year.

(b) State Level Bankers' Committee (SLBC) comprises financial institutions, commercial banks, RBI, NABARD, State level Government Officials and Central Government representative. District Consultative Committee consists of all the financial institutions operating in the district, commercial banks and State Governments authorities at the district level. Lead Bank of the district acts as convener of District Consultative Committee, Deputy Commissioner/District Collector/District Magistrate is the Chairman of the District Consultative Committee.

#### **Paying of Buses by Contract Carriage Permit Holders at Stage Carriers**

3703. SHRI JEEWAN SHARMA: Will the Minister of SURFACE TRANSPORT be pleased to refer to the reply given to the Unstarred Question No. 1251 on January 3, 1991 and state:

(a) the number of contract carriage permit holders found paying their buses as

stage carriages in Delhi between January 1, 1991 and October 31, 1991 and the action taken against them; and

(b) how the Government propose to deal with the situation in an effective manner?

THE MINISTER OF STATE OF THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER): (a) and (b). From 1st January to 31st October, 1991, 242 Contract Carriages were persecuted for violation of permit conditions. The Delhi Administration carries-out vigorous checking on a regular basis against such malpractices.

#### **Cut in Defence Expenditure**

3704. SHRI R. SURENDER REDDY :  
SHRI ANBARASU ERA :

Will the Minister of FINANCE be pleased to state:

(a) whether the International Monetary Fund has suggested for reduction in the defence expenditure by about 20 per cent for the three years period beginning from April 1, 1992; and

(b) if so, the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) No, Sir.

(b) Does not arise.

#### **Settlement of Loans taken by Punalur Paper Mills Limited, Kerala**

3705. SHRI KODIKUNNIL SUREH: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 1622 on August 17, 1990 and state: