

Relaxation of Time Bar under Customs Act

953. **SHRI DAULAT RAM SARAN:** Will the **DEPUTY PRIME MINISTER AND MINISTER OF FINANCE** be pleased to state:

(a) the cases in which refunds have been ordered during the last five years ignoring the provisions of Section 27(1) of the Customs Act, 1962 ;

(b) the reasons for doing so, when under the Customs Act there is no provision for relaxation of time bar under section 27 (1) of the Customs Act ;

(c) whether there is any provision under the Customs Act for authorising Joint Secretaries and Members of the Board under section 131 or 128 of the Customs Act, 1962 to relax the provisions of Section 27(1) of the Customs Act ; and

(d) if not, under what authority of law, they have been given the power to relax the time limit ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL) : (a) Information is being collected and will be laid on the Table of the House.

(b) to (d). There is no specific provision under the Customs Act, 1962 to grant refund in relaxation of the time bar prescribed under Section 27(1). However, the Supreme Court, had in one of its judgements, said that the administrative authority should not be guided by technicalities but by the broader concept of justice. The Ministry of Law also advised that it would be anomalous to hold that the Government had no power to grant refund of a tax which had been illegally collected and further that Section 27 of the Customs Act, 1962 would only bar the remedy and not completely extinguish the right of the assessee and that it would be open to the Government, in appropriate cases, to grant refund of taxes which has been erroneously or un-lawfully realised. Accordingly the Government in consultation with the Comptroller and Auditor General had drawn up certain categories of cases in which refunds could be considered in relaxation of the time bar under Section 27(1) of the Customs Act. However, the discretion is exercised sparingly and only in cases where the party's claim, except for the time bar, is on a completely sound footing.

Members of the Board have not been given the authority to relax the provisions of Section 27(1). However, the Joint

Secretaries to the Government have been given this authority in the limited categories of cases mentioned above. Assuming that the Government has the power of relaxation, then the delegation of such a power to a Joint Secretary is in order.

Upgradation of Rajkot City in Gujarat

954. **SHRI V. G. HANDE :** Will the **DEPUTY PRIME MINISTER AND MINISTER OF FINANCE** be pleased to state :

(a) whether it is a fact that the Joint Consultative Machinery (Central) held on the 15th April, 1977 discussion regarding upgradation of 26 cities ;

(b) whether Rajkot city in Gujarat State has been considered for upgrading to B-2 category ; and

(c) steps intended to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH) : (a) and (b). A meeting with the Secretary of the Staff Side of the National Council, Joint Consultative Machinery was held on the 15th April, 1977 to discuss the methodology for implementing the Third Pay Commission's recommendation contained in para 14, Chapter 56, Volume IV of its Report regarding the payment of compensatory (city) allowance in abnormally expensive places in relaxation of the population norms and not for upgrading their classification. Rajkot is included in the list of 26 cities being considered in this connection.

(c) The assessment of the comparative costliness of the cities has been completed. This matter is being examined further by a Committee set up by the National Council (Joint Consultative Machinery).

Sanctioning of Credit Limits for Operation of Cotton Procurement Scheme in Maharashtra

955. **SHRI V.G. HANDE :** Will the **DEPUTY PRIME MINISTER AND MINISTER OF FINANCE** be pleased to state :

(a) whether it is a fact that Government of India have given instructions to the Reserve Bank of India for sanctioning