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**FUNCTIONING OF VALUATION  
CELLS AND VALUATION OF  
IMMOVABLE PROPERTIES  
MINISTRY OF FINANCE  
(DEPARTMENT OF REVENUE)**

**PUBLIC ACCOUNTS  
COMMITTEE  
1990-91**

**THIRD REPORT**

**NINTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**THIRD REPORT**  
**PUBLIC ACCOUNTS COMMITTEE**  
**(1990-91)**

**(NINTH LOK SABHA)**

**Functioning of Valuation Cells and  
Valuation of immovable properties**

**Ministry of Finance (Deptt. of Revenue)**

**[Action taken on 116th Report of PAC (8th Lok Sabha)]**



*Presented in Lok Sabha on 23 August 1990*  
*Laid in Rajya Sabha on 23 August 1990*

**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*August, 1990 / Sravana, 1912 (Saka)*



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(iii)

## INTRODUCTION

I, the Chairman of the Public Accounts Committee, as authorised by the Committee, do present on their behalf this Third Report on Action Taken by Government on recommendations of the Public Accounts Committee contained in their 116th Report (8th Lok Sabha) relating to Functioning of Valuation Cells and Valuation of Immovable Properties.

2. In this Report, the Committee have observed that adverse decisions were given by the Appellate Authorities in as many as 77% of the cases of valuation of properties. The Committee have therefore recommended development of an effective system for feed-back of information regarding results of appeals at periodical intervals. Besides, they have also recommended that steps be taken to amend/modify valuation rules/methods, wherever required, so as to avoid adverse decisions by the appellate authorities.

Expressing concern over the delay in completing the study on the working of the valuation cells which was entrusted to the Institute of Public Finance and Policy by the Ministry on a top priority basis, the Committee have desired to be apprised of the reasons for the delay and the latest position in the matter.

3. This report was considered by the Public Accounts Committee at their sitting held on 31 July, 1990. Minutes of the sitting form Part II of the Report.

4. For facility of reference and convenience, the recommendations and conclusions of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in the Appendix IV of the Report.

5. The Committee place on record their appreciation of the assistance rendered to them in the matter by the Office of the Comptroller and Auditor General of India.

NEW DELHI;

SONTOSH MOHAN DEV

*Chairman,*

*Public Accounts Committee.*

*August 10, 1990*

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*Shravana 19, 1912 (Saka)*



## CHAPTER I

### REPORT

1.1 This Report of the Committee deals with the action taken by Government on the recommendations/observations contained in the 116th Report of Public Accounts Committee (Eighth Lok Sabha) on functioning of Valuation cells and valuation of immovable properties.

1.2 The 116th Report was presented to the House on 22 March, 1988. The Report contained 14 recommendations and observations. Action Taken Notes have been received in respect of all the recommendations/observations which have been broadly categorised at Appendix-I.

1.3 The Committee will now deal with the action taken on some of their recommendations.

#### *Need for analysing cases decided by Appellate Authorities*

*(Sl. No. 5, Para 1.15)*

1.4 In their earlier Report the Committee observed that there is no systematic appraisal of the management control and valuation process of the Valuation Cell and it is not possible to exactly assess its over-all performance in assisting the assessing officers in the matter of valuation of assets such as lands, buildings etc. referred to it for the purpose of determining the tax liability of the assessee under the Direct Tax Laws. The Committee, therefore, came to the conclusion that it was imperative that all cases in which the valuation is reduced in appeal are analysed critically so that not only such errors in their working are avoided in future but are also made known to the Valuation Officers throughout the country to enable them to avoid incorrect valuation methods in similar cases and further desired that a systematic study of such cases should be conducted once in six months and the results of such study should also be made known to the concerned officers as a part of their regular training and that there should be an effective system for feed back of information regarding results of appeals in which valuation was disputed for guidance of valuation officers.

1.5 The Ministry of Finance in their action taken note submitted data covering a period of last two years regarding the total number of cases in which the assessees preferred appeals against valuation and the number of cases in which the valuation was upheld, and the number in which valuation was reduced and the number of cases in which the calculation made by the Valuation Cell was deleted by the Appellate Authorities. It



was, *inter-alia*, stated that the Central Board of Direct Taxes (CBDT) have already issued instructions to the officers of field formations for making appellate orders available to the Valuation Cell in each and every case involving valuation of properties made by the Valuation Cell and the Chief Engineers of Valuation have been instructed to examine each of these orders to see whether there is any issue of general importance which requires to be brought to the notice of all the valuation Officers. The six monthly review of all important points of valuation arising out of appellate orders will also be prepared by the Chief Engineer, Valuation, bringing out disputed points of the Valuation. The Ministry also made available a Report of the study on the cost benefit analysis of the Valuation Cell conducted by Directorate of O&M services (Income Tax) in 1989.

1.6 The Report of the DOMS (IT) has brought out that in a purely technical sense the Valuation Cell is not only cost effective but also there were other intangible benefits such as the tax paying public know that their property values are susceptible to verification by the Cell. However, the Committee find that the main thrust of their recommendations has not been met by the Ministry. A study of the data furnished by the Ministry in their action taken note regarding the total number of cases in which the assessee preferred appeals against valuation and the number of cases in which the valuation was upheld and the number of cases in which the valuation was reduced or deleted by the Appellate Authority has revealed certain interesting facts which throw light on the efficacy of the working of Valuation Cells. From the details furnished by the Ministry, it is seen that out of a total of 1998 cases in which the assessee preferred appeal during the years 1985-86 and 1986-87 decisions of Appellate Authorities have been received in 1375 cases and in 317 cases which represent 23% of the decided cases, the valuation determined by the Valuation Cell was upheld as against 67.6% of the cases in which the valuation was reduced by the Appellate Authorities and in 9.4% of the cases the same was deleted. Evidently, the results indicate that the working of the Valuation Cell needs to be overhauled and there is an urgent necessity to have the adverse decision in 77% cases studied in depth so that the shortcomings and mistakes committed by the Valuation Cells in arriving at valuation of various properties are analysed and steps are taken to avoid those pitfalls which not only affect the revenues of the Government adversely but also results in unnecessary litigation. The Committee therefore desire that an effective system for feedback of information regarding results of appeals at periodical intervals should be developed so that errors committed by the Valuation Cells are not only avoided in future assessments but are also made known to the Valuation Officers throughout the country to enable them to adopt correct valuation methods which stand the test of judicial scrutiny. The Committee further recommend that in the light of experience gained, the CBDT/Ministry of Finance should take steps to amend/modify



the valuation rules/methods, where required, so as to avoid adverse decisions of the Appellate Authorities in future.

*Review of Working of Valuation Cells*

(Sl. No. 6, Para 1.16)

1.7 Observing that the functioning of the Valuation Cell had not been reviewed since its inception and the same type of omissions and deficiencies found earlier in the Cells continued to persist, the Committee were convinced that there was ample justification for undertaking a thorough review of the Valuation Cell and desired in their original report that such a review be done by the National Institute of Public Finance and Policy. The Ministry of Finance (Department of Revenue) in their action taken note dated 14.2.1989 intimated that the above Institute had been entrusted the job of making a study on priority basis. In a subsequent note dated 11 January, 1990, the Ministry of Finance (Department of Revenue) had informed as follows:

“.....Report of the National Institute of Public Finance and Policy has not yet been received and efforts are being made to have the same expedited. Final action taken note on Para 1.16 (Sl. No.6) of 116th Report of Public Accounts Committee would be sent as soon as the same is received.”

The Report of the study is still awaited.

1.8 The Committee are concerned to note that even after 2½ years of the presentation of the 116th Report of the Committee to the House, the study entrusted to the National Institute of Public Finance and Policy has not yet been completed by the Institute although according to the Ministry top priority was accorded to the study. The Committee would like to be informed of the reasons for the delay and the latest position in the matter.

*Guidelines for Valuation of Agricultural Lands*

(Sl. Nos. 12 and 14, Paras 2.3 & 2.8)

1.9 While examining para 4.05A(i) of the Report of the Comptroller and Auditor General of India for the year 1985-86, Union Government (Civil) Revenue Receipts Vol.II, Direct Taxes, relating to under-assessment due to under-valuation of agricultural lands comprised in Coffee Plantations, the Committee noted in their earlier Report that the Central Board of Direct Taxes issued two sets of guidelines through circular Nos. 326\* and 357\* dated 6 February, 1982 and 26 March, 1983 respectively, for valuation of agricultural lands comprised in Tea, Coffee, Rubber and Cardamom plantations. While circular No. 326 was general in nature, circular No. 357 related only to the Coffee Plantations under Karnataka Charges.

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\* Appendices II and III.

1.10 According to the plea put forth by the Ministry of Finance (Deptt. of Revenue), circular No. 357 was issued because there were no representation from other States and the disputes with regard to Coffee Estates were pending only in Karnataka Charges. The Committee do not consider these as sufficient grounds for issue of guidelines for Karnataka alone. A perusal of the circular No. 357 would lead to an inescapable conclusion that the guidelines were discriminatory in nature so far as the States other than Karnataka were concerned. Even if there was no representation from other states, it was expected of the Government to issue guidelines common to all States. The Committee note with regret that despite their earlier recommendation, circular No. 357 is still applicable to only the State of Karnataka while circular No. 326 applies to other States. The Committee desire that this discrimination be done away with and while issuing guidelines in this regard, the Ministry should ensure that no room was left for any doubt in future.



## CHAPTER II

### RECOMMENDATIONS AND OBSERVATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

#### Recommendation

The Committee desire that expenditure steps should be taken to clear all pending cases giving priority to cases outstanding for more than a year and cases above Rs. 10 lakhs. It is imperative that progress in the clearance of outstanding cases is closely monitored and constant watch kept on their clearance.

[S. No. 1 (Para No. 1.8) of 116th Report of PAC (1987-88)  
(8th Lok Sabha)]

#### Action Taken

Position regarding disposal of pending cases particularly those of value above Rs. 20 lakhs (revised monetary limit of DVO's jurisdiction), as well as the cases pending for more than one year is kept under constant watch by regular monitoring through monthly progress report. On the recommendations of PAC in para 1.8 of its 116th Report Circular from Chief Engineer Valuation Office No. CE(V)/D/88-89/CAG/304 dated 2.8.1988 (Copy enclosed) has been issued by the Chief Engineer (Val.) *vide* which it has been emphasised that special attention needs to be paid for expeditious disposal of cases pending for more than one year and high value cases of above Rs. 10 lakhs.

(Approved by the Additional Secretary to the Govt. of India).

[F.No. 241/1/88-A&PAC-I.  
F.No. 326/2/88-WT]

#### COPY OF LETTER

NO. CE(V)/D/88-89/CAG/304 dated 2.8.1988.

**Subject :** *Report of the Public Accounts Committee on functioning of Valuation Cell—Monthly Progress Report*

The CB&F have communicated the recommendations of the Public Accounts Committee contained in paras 1.8 and 1.10 of the 116th Report (reproduced below) on the functioning of Valuation Cell and valuation of immovable properties, and have desired that the recommendations made by the PAC are strictly adhered to.

1.08 "The Committee desire that expeditious steps should be taken to clear

all pending cases giving priority to cases outstanding for more than a year and cases above Rs. 10 lakhs. It is imperative that progress in the clearance of outstanding cases is closely monitored and constant watch kept on their clearance.

- 1.10 The Committee hopes that these norms would be strictly observed by the concerned officers in the interest of expeditious disposal of valuation cases and they would like to be apprised of the results achieved in this direction. They would also like the Ministry to review the position of pendency of cases with the District Valuation Officers, Valuation Officers and Assistant Valuation Officers from time to time to ensure equitable distribution of work".
2. Needless to emphasise, special attention is to be paid to the following.
  - (a) Expeditious disposal of cases pending for more than a year and high value cases of above Rs. 10 lakhs.
  - (b) Norms fixed by CBDT for disposal of cases by DVO, VO and AVO are adhered to and position in this regard is reviewed from time to time.

As regards cases to be referred to Valuation Cell, Manual of Office Procedure, Vol. II (Part-A) issued by the Directorate of Inspection, Income-tax Department contained guidelines (PP. 521-522), a copy of which is enclosed.

3. The CBDT have also desired that report regarding disposal of cases be sent by the 25th of each month. VOs are as such directed to send monthly progress report indicating the position as on the 25th of month under consideration on the same day. The MPR duly compiled at the DVOs level may be sent by the last day of the month, so that the same is received in this office in the 1st week of the following month.

4. The DVOs may also send a copy of the MPR to the concerned Chief Commissioner/Commissioner of Income-tax. Position regarding inadequacy of the references or/and other factors affecting the functioning of the valuation units under their control may be brought to the notice of CC/CIT. These issues may also be discussed periodically preferably every month-by the DVOs/VOs with the concerned Chief Commissioner/Commissioner of Income-tax, in order that the aspects indicated in para 2 are given special attention.

Sd/- P.B. Vijay  
Chief Engineer (Valuation)

To

All the DVOs/VOs/AVOs under North Region.

Copy for File No. CE(V)/D/88-89/MPR



EXTRACT FROM THE MANUAL OF OFFICE PROCEDURE. VOL. II (PART-A)  
PAGES 521-522 REGARDING CASES TO BE REFERRED TO VALUATION CELL.

14. Following types of cases shall be referred to the Valuation Cell:—

(i) All the cases of Estate Duty, Wealth-tax and Gift Tax where the accountable person/assessee has shown the valuation of any individual immovable property at Rs. 3 lacs or more, irrespective of whether the valuation is or is not supported by a certificate from the approved valuer.

(ii) Where the declared value is less than Rs. 3 lakhs whether supported by a valuer's certificate or not, but the Asstt. Controller of Estate Duty/Wealth-tax Officer/Gift-tax Officer is of the opinion that the value so returned is less than the fair market value in conformity with the provisions of the relevant tax laws.

(iii) For valuation of properties under 16A of W.T. Act 1957 there are certain cases where Rule 1BB is not directly applicable as referred in para(5) of the said Rule. The same is reproduced below—

Where, having regard to the facts and circumstances of the case, the W.T. Officer, with the previous approval of the inspecting Assistant Commissioner, is of the opinion that it is not practicable to apply the provisions of this Rule to such a case; or

Where the difference between the unbuilt area and the specified area exceeds twenty per cent of the aggregate area; or

Where the house is built on lease hold land and the lease expires within a period not exceeding fifteen years from the relevant valuation date and the deed of lease does not give an option to the lessee for the renewal of the lease.”

In such cases, the valuation of property shall be referred to the Valuation Cell.

(iv) The reference for valuation under 16A of the W.T. Act 1957 should be made to the Valuation Cell in all fit cases, without failure, as desired in Board's letter No. 326/52/78-WT dated 24.4.1979, No. 326/52/78-WT dated 30.6.1979 and No. 319/41/79-WT dated 21.7.1979. Any lapse in this regard shall be viewed seriously.

(v) For the purpose of assessment of the cost of construction of properties, the Income-tax Officer may refer a case to Valuation Cell under provisions of Income-tax Act, 1961, if in his opinion the

value of the investment declared by the assessee is less than its fair cost of construction.

### *Form of References*

15. Reference made to the Valuation Cell should describe the correct address and location of the property name of the owner, name of the person in whose possession the property is known to be, description of the property itself including measurement, location etc. Different forms have to be used by different authorities. Forms required to be used by Asstt. Controller of Estate Duty, Wealth-tax Officer, Gift-tax Officer, I.T. Officer (Acq.) are given as Annexure I & II to this Chapter.

16. The assessing officers should make reference to the Valuation Cell right from the early part of the year to help even distribution of work to the Valuation Officers over the year.

### *Appellate Orders*

17. As per CBDT Circular No. 319/72-WT dated 5.1.1980 copies of appellate order on valuation of immovable properties made by the Valuation Cell should invariably be sent to the concerned Valuation Officer by the respective Commissioner/Asstt. Commissioner of Income-tax/Wealth-tax/Gift-tax and Asstt. Controller of Estate Duty.

### **Recommendation**

Recently, the CBDT in October, 1987 approved the proposal for enhancement of monetary limit of the jurisdiction of District Valuation Officer, Valuation Officer and Assistant Valuation Officer as well as their quota for disposal of cases as detailed below:—

	Jurisdiction	Quota for disposal
District Valuation Officer	Value of assets declared exceeding Rs. 20 lakhs.	90 cases per Officer.
Valuation Officer	Value of assets declared exceeding Rs. 5 lakhs & not exceeding Rs. 20 lakhs.	180 cases per Officer.
Assistant Valuation Officer	Value of assets not exceeding Rs. 5 lakhs.	180 cases per Officer

[S.No. 2(Para No. 1.9) of 116th Report of PAC (1987-88) (8th Lok Sabha)]



### Action Taken

This para is merely narration of facts on which no comments are warranted.

(Approved by the Additional Secretary to the Govt. of India)

[F.No. 241/1/88-A&PAC-I.  
F.No. 326/2/88-WT]

### Recommendation

The Committee hope that these norms would be strictly observed by the concerned officers in the interest of expeditious disposal of valuation cases and they would like to be apprised of the results achieved in this direction. They would also like the Ministry to review the position of pendency of cases with the District Valuation Officers, Valuation Officers and Assistant Valuation Officers from time to time to ensure equitable distribution of work.

[S. No. 3 (Para No. 1.10) of 116th Report of PAC (1987-88) (8th Lok Sabha)]

### Action Taken

The recommendations of the PAC in para 1.10 of its 116th Report have been brought to the notice of all the officers working in valuation vide Chief Engineer (Val.) Office Circular No. CE(V)/D/88-89/CAG/304 dated 2.8.1988 whereby it has been emphasised that special attention needs to be paid to ensure that the norms fixed by CBDT for disposal of cases by DVO, VO and AVO are strictly adhered to and the position in this regard is reviewed from time to time.

(Approved by the Additional Secretary to the Govt. of India).

[F. No. 241/1/88-A&PAC-I.  
F. No. 326/2/88-WT]

### Recommendation

The valuation of immovable property wholly or mainly used for residential purposes is determined on the basis of arithmetical formula prescribed under Rule 1BB of the Wealth-tax Rules, 1957. There is however, no corresponding formula for the valuation of commercial properties. The Ministry of Finance (Department of Revenue) informed the Committee that they were considering framing of rules for commercial properties on the lines of the procedure laid down in Rule 1BB. With the framing of these rules the procedure for valuation of commercial properties would be codified and there will be less scope for arbitrariness and discretion in the hands of assessing officers in valuing such properties. This will also reduce the pressure of work on the valuation cell. The Committee desire the Ministry to expedite framing of the rules for valuation of commercial properties.

[S. No. 4 (Para No. 1.11) of 116th Report of PAC (1987-88) (8th Lok Sabha)]



### Action Taken

An amendment has been introduced in the Parliament by the Direct Taxes Law Amendment Bill, 1988, to incorporate the rules of valuation of assets for the purposes of the Wealth-tax and Gift-tax Acts in the respective Acts. This would render statutory backing to the rules of valuation and minimise the scope of arbitrariness and discretion. The rules of valuation for commercial properties would now be made on the same lines as the existing rule 1BB for residential property that is, on the rent multiplier method. The provisions shall come into force the 1st day of April, 1989.

(Approved by the Joint Secretary to the Govt. of India)

[F. No. 241 / 1 / 89-A&PAC-I,  
- F. No. 154 / 6A / 88-TPL]

### Recommendation

The Committee feel that even if the objectives of various Acts and the valuation dates are different, the 'market value' of the same property should not vary thereunder. Different modes of valuation lead to confusion, harassment and unnecessary litigation. The Committee desire that the matter may be examined again with a view to bringing about uniform procedure of valuation of properties under all the Direct Tax Acts.

[S. No. 7 (Para No. 1.18) of 116th Report of PAC (1987-88) (8th Lok Sabha)]

### Action Taken

The concept of 'market value' of an asset under the Income-tax Act occurs only at a few places, for example, for determining the cost of acquisition of an asset for the purposes of capital gains where the asset was acquired before the 1st day of April, 1974 and for determining the 'apparent consideration' under Chapter XXC relating to pre-emptive purchase of property where the immovable property is transferred by way of exchange. The valuation of an asset for the purposes of the Wealth-tax Act and the Gift-tax Act are based on the market value of the asset. Taxation under the Wealth-tax and Gift-tax Acts is based on the capacity to pay concept which is measured by economic power based on wealth owned and these acts are *inter alia* intended to bridge the gulf created because of economic power as also to provide a check between the declared income on the one hand and the accretion to wealth on the other hand. Revenue earning is not the main objective for the levy of Wealth-tax and Gift-tax.



2. In order to make the mode of valuation uniform and to minimise the protracted litigation, it has been proposed by the Direct Tax Laws (Amendment) Bill, 1989 to provide for uniform and simplified rules of valuation of assets. With this objective in mind this amendment proposes to incorporate the rules of valuation for the Wealth-tax and Gift-tax in the statutes themselves. According to these rules, the majority of assets like immovable property, shares jewellery, assets in business and in partnership firms and life interest will now be determined as per the rules of valuation contained in the schedule to these Acts and only the residuary assets shall be determined as per the market value. Such a procedure would provide certainty in the matter of valuation and changes in valuation rules would also be made only with sanction of Parliament. As per this method some assets may result in valuation different than their market value, but keeping in view the low revenue involved and to provide uniformity and avoid protracted litigation, this mode of valuation for the Wealth-tax and Gift-tax Act has been preferred.

3. As would be seen, the concept of market value for the purposes of Income-tax Act is quite vital looking to the large amount of involved and as such the provisions under the Income-tax Act are based on the value which an assessee can realise in the open market. Hence the mode of valuation should be such that the value of an asset is taken on a realistic basis. It is, therefore, felt that framing of rules of valuation of assets under the income-tax Act on the rules of valuation of assets under the income-tax Act on the same lines as have been proposed for the Wealth-tax and Gift-tax Acts by the Direct Tax Laws (Amendment) Bill, 1989 would not be appropriate and will not achieve the desired objectives.

(Approved by the Joint Secretary to the Govt. of India)

[F. No. 241 / 1 / 88-A&PAC-I. F.No. 154 / 3 / 89-TPL]

#### Recommendation

The Committee would like to be apprised of the correct position in this regard. Even if the audit objection had been dropped, the fact remains that there are no guidelines for valuation of salt pans which very much fall within the definition of immovable properties. The situation created by the refusal of the Chief Engineer (Valuation) needs to be rectified. The Committee therefore recommend that some standard method should be evolved to ensure uniformity in the valuation of salt pans.

[S. No. 9 (Para No. 1.24) of 116th Report of PAC (1987-88) (8th Lok Sabha.)]

#### Action Taken

It is clarified first that the facts narrated in para 1.23 are not factually correct. It is reiterated that the value of salt pans depends upon various factors like size of the saltpan, its durability etc. and it is incorrect to presume that the value of salt pans in case of different assesseees being assessed in the same ward could also be the same. It is further reiterated



that the audit objection had been agreed to be withdrawn during the joint meeting held on 5th and 6th September, 1985 at the officer of Income-Tax, Pune between Shri M.G. Mahaskar, Joint Director of Audit and Shri J.G. Peñdse, Inspecting Assistant Commissioner of Income-tax (Audit), Pune. Item 2 of the Minutes of the meeting mentions it clearly that the objection raised in the case of Mrs. Halimabibi Mohd. Yusuf Tungekar vide LAR No. 958 dated 12.12.1984 WT para (1) A.Y. 1978-79 and 1979-80 was agreed to be withdrawn. Hence it may be noted that during evidence it was correctly informed by the Ministry to the PAC and the impression given by the Audit that it had not been withdrawn was incorrect. It may be further pointed out that after agreeing to withdrawn this objection, the Joint Director of Audit desired that he may taken up the general issue of valuation of saltpans for general examination.

As regards valuation of saltpans to be done by the Valuation Officers, the issue has been examined in detail as to whether Valuation Officers appointed to value plant and machinery, or land and building could value saltpans also. It was derived that no practical purpose would be served if the Valuation Officers appointed to value these assets have been assigned the job of valuing the saltpans as the Valuation Officers in the Valuation Cell did not have either educational background or the experience to value this asset. Hence it was decided that the specialists ready having expertise to value these assets are required to be appointed as Valuation Officers for saltpans. Board vide its order No. 8/88-F. No. 319/13/86-WT dated 1.9.1988 have appointed Valuation Officer to value the saltpans exclusively. This would ensure objectivity in valuation of saltpans and resolve the situation created by the Valuation cell by refusing the valuation of saltpans.

(Approved by the Additional Secretary to the Govt. of India.)

[F. No. 241/1/88-A&PAC-I.  
F. No. 326/2/88-WT]

### **Recommendation**

Income-tax assesseees are not only very large in number but are also located throughout the length and breadth of the country. The Income-tax Department have done a commendable job by discovering and adding a record 6.56 lakh new assesseees in the year 1986-87 to their tax records through survey operations. The Committee, however, feel that there is still a considerable number of people or class of people like professionals and small businessmen/traders/shopkeepers etc. Who in spite of earning income which may be liable to be taxed, are not assessed to Income-tax. Since the survey carried out by the Income-tax Department have resulted in addition of assesseees, the Committee feel that it would be worthwhile to intensify the investigating machinery of the Income Tax Department so that persons who have taxable income are actually taxed. This will result in recurring addition to revenues of the Government. This area or class of



people, therefore, deserves special attention of the Department. The Committee desire that the Ministry should devise some suitable ways and means of bringing these people to their tax net by intensification of surveys and taking other appropriate measures.

[S. No. 10 (para 1.29) of 116th Report of PAC (1987-88) (8th Lok Sabha)]

### Action Taken

With a view to widening the tax base by bringing a very substantial number of new assesseees on record, the Board had prepared a Survey Action Plan for the financial years 1986-87 to 1989-90.

2. The basic objective of this Plan is to conduct surveys for collecting information from both external and internal sources and to also carry out surveys under section 133A and Section 133B of the Income-tax Act.

3. The Action Plan provides for an exhaustive survey of the following areas:—

(i) New commercial complexes, particularly multi-storeyed commercial buildings.

(ii) New industrial estates sponsored by Government or private organisers.

(iii) New construction of buildings, particularly multi-storeyed buildings.

(iv) Godowns in metropolitan cities.

4. During the financial year 1987-88, systematic surveys were carried out of business premises over large parts of the country. Some of these surveys were carried out in areas where no surveys had been done, at least in the recent past.

5. Besides, officers of the Income-tax Department addressed trade chambers etc. with a view to advising their members about the scope of the survey operations and thereby encouraging or inducing them to extend full cooperation to these operations. Publicity was also given in the media to the survey operations. Wherever possible, survey teams also rendered service to taxpayers by assisting them in the preparation and submission of returns.

6. The following table gives the performance in the area of survey operations over the five year period ending with the financial year 1987-88:—

Year	No. of premises	Surveyed No. of New assesseees
1983-84	6,08,165	2,81,788
1984-85	1,80,693	1,41,617
1985-86	1,65,911	1,05,688
1986-87	2,30,410	6,55,653
1987-88	6,19,032	5,23,376

7. Apart from survey operations, the Board also took steps for streamlining the collection, collation, verification, dissemination and utilisation of information for detection of new assesseees and for detection of tax evasion by existing assesseees. Detailed instructions were issued by the Board in June, 1987, regarding the functioning of the Central Information Branches, which constitute the main agency of the Income-tax Department for those activities. Besides, the Central Information Branches, which were previously working under the various Commissioners of Income-tax, were placed under the control and supervision of Directors of Income-tax (Investigation). Annexure I and Annexure II hereto contain various sources of information required to be tapped by the officers of the Central Information Branches for purposes of detection of new assesseees and for cross checking of transaction of existing assesseees with a view to detecting tax evasion.

8. To facilitate detection of new assesseees engaged in certain trades, new section 206C was inserted in the Income-tax Act by the Finance Act, 1988 for collection of tax at source from buyers of specified goods, viz., alcoholic liquor for human consumption (other than Indian made foreign liquor), timber obtained under forest lease or any other mode and other forest produce.

9. The Income-tax Department is fully conscious of the need to bring within the tax net all persons with taxable income, including professionals, small businessmen and traders. Apart from the measures already taken, the Board is continuously engaged in the task of devising appropriate measures for achieving this objective. Vigorous and sustained efforts in this direction will also be continued.

(Approved by the Addl. Secy. to the Govt. of India).

F. 241/1/88-A & PAC-I

F. 411/1/88-II (Inv. I)



### ANNEXURE-I

S. No.	Heads	Sources of Information
1	2	3
1.	New Sales-tax registration with a turn over of 5 lakhs and above	Sales Tax Department
2.	Sales-tax penalties levied above 10,000/-.	-do-
3.	New factories registered under the factories Act	Inspector factories
4.	New Industries registered with the Directorate Industries	Directorate of Industries.
5.	New licences for bars a new reading given the under contracts State Excise & Prohibition Laws	State Excise Department's
6.	Information regarding formation of new companies paid up capital above Rs. 10 lakhs. The Inspector should also verify that all the companies listed with Registrar of companies are borne on the registers of I.T. and if that they are not assessed with I.T. adequate explanation is available. This item should be taken on a priority basis and results of varification should be intimated by 31.12.1986.	Registrar of Companies.
7.	Information regarding new properties built during the last years	Municipal Corporation.
8.	Cost of package tours abroad where an amount of Rs. 10,000/- or more is spent per individual.	Travel agent. A list of Travel Agents will have to be prepared first.
9.	Fines and Penalties levied by Customs Deptt. and Directorate of Foreign Exchange Enforcement for an amount exceeding Rs. 25,000/-.	Customs and Excise FERA Directorate.
10.	Confiscations of goods worth above Rs. 25,000/-	Customs & Excise Directorate.

1	2	3
11.	Customs duty and fines above Rs. -do- 5,000/- paid by passengers landing at International Airport.	
12.	Information regarding single premium policies over Rs. 5,000/-	L.I.C.
13.	Expenditure exceedings 10,000/- incurred in hotels by Pvt. parties for booking suites for long periods entertainment or in connection with marriage celebration etc. This should be collected every quarter.	Hotels and Holiday and Hill resorts.
14.	Advertisements in daily newspapers Daily papers should be scanned intelligently and information like repeated advts. In respect of sale/ purchase of import/export qubtas, imported goods and property offers where prices are given should be collected, checked broadly and disseminated.	New Paper and Advertisement Agencies.
15.	Tent suppliers caterers where their bill for any function is more than Rs. 15,000/-.	
16.	Commission of over Rs. 15,000/- received from Finance and Investment Companies	The concerned companies.
17.	Booking of incoming and outgoing wagons (a random check should be organised periodically say quarterly and information collected cross-checked).	Railways.
18.	Contract work over Rs. 50,000/- (including construction of Sports Stadia).	CPWD, PWD, MES and Public Undertakings. Sports Authority of India.
19.	Deposits above 25,000/- with Public Ltd. Companies, Finance Companies and Chit Funds Cos. Banks and Purchase of bank drafts over Rs. 10,000/-	Public Ltd. Companies, Finance Cos., Chit Fund Companies Banks.



1	2	3
20.	Application for new issue of shares/ Debentures of companies issued since 1.4.80 of face value over Rs. 20,000/- P.A. No. available in the application should be noted.	Companies concerned of which the list should be obtained from Registrar of Companies.
21.	Information regarding sale purchase of jewellery above Rs. 25,000/-.	Jewellers.
22.	Information from interior decorators regarding persons for whom interior decoration has been done of the amount of Rs. 20,000/-.	Decorators.
23.	All money suits of the value of over Rs. 25,000/- decided in courts. The Inspector would go through the decisions and collect information relevant for direct taxes in respect of the persons parties to the suit.	Registrar of High Courts.
24.	List of Co-operative House Building Societies and names & addresses of new allottees.	Registrar of Co-operative Societies.
25.	Information regarding names & addresses of allottees House Building with their disclosed investment.	House Building Companies and Contractors.
26.	Information regarding transfer of flats/ shares of House Building Societies and Companies.	House Building Companies and Contractors.
27.	New Telephone Connection Sanctioned.	Telephone Department.
28.	Names and addresses of race horse owners and amounts disbursed to them.	Race Clubs.
29.	Name and address of race horses trainers and amounts disbursed to them.	-do- & Horse Owners.
30.	Names and addresses of race-horse jokies and amounts disbursed to them.	-do-
31.	Names and addresses of race-horse book makers.	-do-

1	2	3
32.	Names and addresses of purchasers of Race Clubs. horse at auctions by the race-club or otherwise registered with them on transfer above Rs. 25,000/-.	
33.	Information of winners above Rs. 25,000/-	Books Makers and Race Clubs.
34.	Duty draw back allowed to various parties for more than 10,000/- each annually.	Customs and Excise.
35.	Import licence of various types issued of the value of Rs. 1 lakh or more.	CCI&E.
36.	Cash assistance of more than Rs. 25,000/- given to individual parties.	CCI&E.
37.	Manpower exported.	M/s Labour protectorate of Immigrants.
38.	Travellers cheques above Rs. 50,000/- given to individual parties.	CCI&E
39.	Bank drafts above Rs. 50,000/- from banks against cash payments.	Bank
40.	Telegraphic transfers from banks exceeding Rs. 50,000/-.	Banks.
41.	Information regarding quota of value of Rs. 20,000/- or more than cement/steel and coal.	Directorate of Industries Local Civil Supplies Department.
42.	Information regarding registration of new cars, trucks, auto-rikshaws, taxies.	R.T.O.
43.	Compensation paid for acquisition of land for development projects.	Land Acquisition Deptt.
44.	List of Doctors.	Concerned professional
45.	List of Chartered Accountants.	-do-
46.	List of architects.	-do-
47.	List of engineers.	-do-
48.	List of Lawyers.	-do-
49.	List of Nursing Homes & Clinics	Nursing Homes and Clinics.
50.	Payment over Rs. 5,000/- to surgeons and Doctors.	-do-



1	2	3
51.	Payments by patients over Rs. 5,000/- to Nursing Homes.	-do-
52.	Claims over Rs. 1 lakh with General Insurance Company.	General Insurance Company.
53.	Demurrage paid to the Railways	Railways.
54.	Information regarding godowns at ports	Port Trust Authorities.
55.	Demurrage paid at Ports	-do-
56.	Thefts reported of amounts over Rs. 50,000/	Police Stations.
57.	Electric consumption bills over Rs. 2000/- p.a. paid by non-Industrial Users.	Electric Supply Companies.
58.	Information about cycle stand parking spaces and other contracts given for public places	Local authorities.
59.	List of Guest Houses	Concerned Licencing authority.
60.	List of residents who have paid more than Rs. 25,00/- a year to guest Houses.	Guest Houses.
61.	Names of those 'who have made investments in Bonds above Rs. 50,000/-	U.T.I. Rural Electrification N.T.P.C. Indian telephone India Neiveli Lignite Cap. etc.
62.	Names and addresses of purchasers of cars auctioned by STC and amount paid	S.T.C.
63.	Allottees by auction or otherwise of flats/ plots/shops above Rs. 50,000/- by Housing Development Authorities/ Boards.	Housing Development Authorities.
64.	List of principal, professors etc. having taxable income and enquiring whether they have other source of income.	Colleges / Universities and Returns U/S 206.
65.	Names and addresses of bidders or purchasers of stores disposed by State Transport Authorities and amount paid where the bids are above Rs. 50,000/.	State Transport Authorities.
66.	Payments made by any member of more than Rs. 5,000/- a year.	Clubs
67.	Payment above Rs. 5000/- a year made to members in connection with the card games.	Clubs

1	2	3
68.	Major bills paid above Rs. 50,000/- a Dinner's Club year	
69.	Assets declared to Banks and Financial Institution for loans and overdrafts above Rs. 5 lakhs.	
70.	Payment made over Rs. 10,000/- a year by parents for children studying there.	Public Residential Schools.
71.	Information regarding transport supply or service contracts	Public Sector Undertaking.
72.	Information regarding Investments over Rs. 25,000/- in National Savings Certificates/CTD Saving Bank especially in the name of ladies	Postal Authorities.
73.	Payments to authors by publishers	Files of the Publishers.
74.	Payments of over Rs. 50,000/- paid to supply contractors for goods sold to the Government.	Director General Supplies and Disposals. Chief Controller of Accounts (Supply) Akbar Road Hutments, Delhi and Controller of Accounts (Supply) at Bombay, Calcutta and Madras.



## ANNEXURE-II

S.No.	Heads	Source of Information
1.	Transfer of immovable properties.	37B Forms received by IAC Acquisition during the last two years and upto September, 1986
2.	List of commissions paid and received-over Rs. 10,000 /-	I.T.O.S.
3.	Information about wealth which has passed to the heirs.	F.D. Scrutiny cases assessed or pending.
4.	Information gathered as a result of action under section 132 in respect of parties other than those searched.	Intelligence Units.
5.	Information gathered under section 133A in respect of whom action under section 133A is taken.	Survey.
6.	Salaries and perquisites of Directors/ Managing Agents etc. approval under section 269 of Companies Act, 1956 when basic pay is over Rs. 36,000 /- annually.	Department of company Affairs
7.	Winning from horse race winning over Rs. 5,000 /-	List filed by Race Clubs (194 BB).
8.	Intimation of purchasers and sellers above Rs. 50,000 /-	I.T.O
9.	Statutory returns filed by Contractors.	Under Section 285A.
10.	Payment made to contractors etc. payment made over Rs. 50,000 /-	I.T.O.
11.	Statements by producers of cinema photograph films payments other than sales / purchase over Rs. 10,000 /-	Under Section 285B

### CHAPTER III

#### RECOMMENDATIONS AND OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN THE LIGHT OF THE REPLIES RECEIVED FROM GOVERNMENT

##### Recommendation

The committee are of the opinion that the setting up of an autonomous valuation authority free from departmental or extraneous influences and based on a system of a common principle of valuation for all property taxes with a common implementation machinery would impart efficiency and impartiality to the valuation work and would also go a long way in reducing the hardships caused to the tax payers. The Committee accordingly urge the Government to reconsider the issue in the light of the opinion of the Law Ministry and also in consultation with the State Governments.

[S.No. 8 (Para No. 1.22) of 116th Report of PAC (1987-88)  
(8th Lok Sabha).]

##### Action Taken

The recommendation for setting up of an autonomous Valuation Tribunal was examined in detail by the Ministry of Law in consultation with the President of Income-Tax Appellate Tribunal. After due deliberations, Law Ministry pointed out that the provisions for availing expert opinion regarding valuation of properties was already available to the Commissioner of Income-tax (Appeals) and to the Income-tax Appellate Tribunal, who can call for comments and examine the valuation experts. The Law Ministry also expressed doubts that a Valuation Tribunal comprising of technical experts may not be in a position to determine and ascertain the unrecorded consideration, if any, that changes hands in the transfer of immovable property. Such a question has to be decided by the Judicial authority only. Further, reference to the proposed valuation Tribunal for valuation of assets involved in capital gains will only lead to protracted litigation since other parts of the same assessment order may be in appeal before the ITAT or other appellate authorities. Considering these points it was decided not to set up such Valuation Tribunal after obtaining the approval from the then F.M.

(Approved by the Joint Secretary to the Govt. of India)

F.No. 241/1/88-A&PAC-I.

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F.No. 154/3/89-TPL



### **Recommendation**

The Committee note that the audit paragraph under reference contains quite a large number of individual cases and others in which the audit found certain irregularities and deficiencies. The Ministry of Finance (Department of Revenue) at the instance of the Committee, have now furnished the factual position in respect of a number of cases which is at variance with that indicated in the Audit paragraph in some cases. Had these facts been brought to the notice of audit before inclusion of the cases in the Audit Report, much of the time of the Audit and the Committee would have been saved. Besides, the delay in settling the issues raised in Audit might lead to such situations where the department is disabled to initiate departmental action against the erring officials on account of their having retired or left the service. The Committee, therefore, desire that the audit objections/comments should be attended to promptly by the concerned Ministry/department and the replies furnished to audit within the prescribed time frame so that timely corrective action is taken on the issues raised in audit and only those objections which are valid are included in the Audit Report.

[S.No. 11 (Para No. 1.31) of 116th Report of PAC (1987-88)  
(8th Lok Sabha).]

### **Action Taken**

The observations of the Hon'ble Committee have been noted. However, every effort is made to furnish Ministry's comments within the prescribed time frame. Delay in furnishing comments in some cases occurs due to certain special circumstances but even in such cases it is always ensured that corrective action is taken.

(Approved by the Additional Secretary to the Govt. of India)

[F.No. 241/1/88-A&PAC-I]

### **Recommendation**

The Committee regret to observe that the CBDT who is administratively responsible for implementing the provisions of the Direct Taxes Laws failed in its duty by not framing requisite rules within reasonable time after the enactment of law to ensure its proper implementations. The Committee need hardly emphasise that implementation of the provisions of law should be closely watched and rules regulating them framed with precision and due promptitude.

[S.No. 13 (Para No. 2.4) of 116th Report of PAC (1987-88)  
(8th Lok Sabha) ]

### Action Taken

Considering the very small revenue the levy of wealth-tax and agricultural property was discontinued by the Finance Act, 1980 except on certain specified plantations. However, the value of agricultural land comprised in such plantations continued to enjoy the limited exemption to wealth-tax upto Rs. 1.5 lakhs along with certain other financial assets. The wealth-tax revenue from all such plantations was estimated to be Rs. 1.5 crores only. Further the valuation of such land lead to considerable litigation and avoidable harassment to tax payers. Considering all these aspects the levy of wealth-tax on such plantations was discontinued from assessment year 1982-83 and the framing of detailed rules for valuation of such land was not considered necessary.

(Approved by the Joint Secretary to the Govt. of India).

F.No. 241/1/88-A&PAC-I.

F.No. 154/6A/88-TPL



## **CHAPTER IV**

### **RECOMMENDATIONS AND OBSERVATIONS REPLIES TO WHICH HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND REQUIRE REITERATION**

#### **Recommendation**

The Government have also not been able to collect information regarding the total number of cases in which the assessee preferred appeals against Valuation and the number of cases in which the Valuation was upheld and the number in which the Valuation was reduced or deleted. The Committee deprecate the failure of the Ministry in giving the requisite information so vital for the proper evaluation of the effectiveness of the Valuation Cell. The Audit has also pointed out that copies of appellate decisions were not made available to the Valuation Officers with the result that the Valuation Officers are denied the opportunity of updating their knowledge. The Registers of maintained by the Valuation officers did not bear entries about the outcome of appeals in Valuation cases owing to failures on the part of Income-tax Officers to furnish the requisite information or to obtain copies of appellate decisions by the Valuation Officer thus defeating the very purpose for which these Registers were maintained. During evidence, the Secretary (Rev.) agreed that there was not to cull out major points in respect of Valuations rejected by the Appellate authorities for the guidance of the Valuation Officers. The Committee conclude that there is not systematic appraisal of the management control and evaluation process of the Valuation Cell and it is not possible to exactly assess its over all performance in assisting the assessing officers in the matter of valuation of assets such as lands, buildings etc. referred to it for the purpose of determining the tax liability of the assessee under the Direct Tax Laws. It is imperative that all cases in which the valuation is reduced in appeal are analysed critically so that not only such errors in their working are avoided in future but are also made known to the Valuation officers throughout the country to enable them to avoid incorrect valuation methods in similar cases. The Committee feel that a systematic study of such cases should be conducted once in six months and the results of such study should also be made known to the concerned officers as a part of their regular training. There should be an effective system for feedback of information regarding results of appeals in which valuation was disputed for guidance of valuation officers.

[S.No. 5 (Para No. 1.15) of 116th Report of PAC (1987-88)  
(8th Lok Sabha)]

### Action Taken

Information regarding the total number of cases in which the assessee preferred appeals against valuation with respect to CIT charges mentioned therein is as per Annexure 'A'. It has been found desirable to set up a mechanism to enable valuation officers to know the fate of valuations made by them and also to know what view the appellate authorities are taking in respect of issues of general importance. In this regard board have already issued instructions to the officers of field formations for making Appellate orders available to the Valuation Cell in each and every case involving valuation of properties made by the Valuation Cell. Further, the Chief Engineers of Valuation have been instructed to examine each of these orders to see if there is any issue of general importance which requires to be brought to the notice of all the Valuation Officers. They have been instructed to forward a copy of Appellate Order to the concerned Valuation Officers. It has been further instructed that Chief Engineer (Val.) will carry out six monthly review of all important points of valuation arising out of Appellate orders in which they will review disputed points of valuation and views taken by the Valuation Officers and the Appellate Authorities.

The DOMS(IT) is conducting a study on the cost benefit analysis of the Valuation Cell. A copy of the report of this study will be sent shortly after the same is received.

(Approved by the Additional Secretary to the Govt. of India).

F.No. 241/1/88-A&PAC-I

F.No. 326/2/88-WT



## ANNEXURE-A

CIT Charges	The total number of cases in which the assessee preferred appeals against Valuation made by Valuation Cells during the last 2 years,	The number of cases in which the Valuation determined by the Valuation Cell was unheld.	The number of cases in which the Valuation was reduced by the appellate authorities.	The number of cases in which the Valuation made by the Valuation Cell was deleted.	
1	2	3	4	5	6
1. CIT (Appeal) Central II Calcutta		NIL	NIL	NIL	NIL
2. CIT (Appeal)VII Bombay		NIL	NIL	NIL	NIL
3. CIT Kolhapur		3	NIL	NIL	NIL
4. CIT(A)III Bombay		NIL	NIL	NIL	NIL
5. CIT(A)II Calcutta		NIL	NIL	NIL	NIL
6. CIT(A) Central-I Calcutta		NIL	NIL	NIL	NIL
7. CIT(A) Indore		11	NIL	NIL	1
8. CIT(A)V. New Delhi		2	NIL	NIL	NIL
9. CIT Delhi-VII		4	NIL	1	1
10. CIT(A)IV Ahmedabad		45	2	43	NIL
11. CIT(A)VII Calcutta		NIL	NIL	NIL	NIL
12. CIT(A) Jabalpur		15	NIL	15	NIL
13. CIT Delhi-IV. New Delhi.		13	1	11	NIL
14. CIT, Central-II New Delhi		27	NIL	NIL	NIL
15. CIT, Central-I, Delhi		71	33	36	NIL
16. CIT Bombay city-V		NIL	NIL	NIL	NIL
17. CIT(A)XI. Delhi		3	NIL	3	NIL
18. CIT(A)XIV Bombay		33	5	11	4
19. CIT(A)I Madras		50	8	31	11
20. CIT(A)XII. Bombay		6	1	1	3
21. CIT(A)X. New Delhi		2	NIL	NIL	2
22. CIT(A) Nasik		16	NIL	14	NIL
23. CIT(A)-III. Ahmedabad		NIL	NIL	NIL	NIL
24. CIT(A)-I. Bombay		8	NIL	8	NIL
25. CIT Bombay city-II Bombay		NIL	NIL	NIL	NIL
26. CIT(A)VI. Bombay		1	NIL	NIL	NIL
27. CIT(A)-IV Bombay		NIL	NIL	NIL	NIL
28. CIT Delhi-I. N.Delhi		NIL	NIL	NIL	NIL
29. CIT, Orissa, Bhubaneswar		44	20	15	1
30. CIT, Patna		8	1	NIL	NIL
31. CIT(A)-II. Delhi		2	NIL	NIL	NIL

1	2	3	4	5	6
32.	CIT, West Bengal-IV Calcutta	NIL	NIL	NIL	NIL
33.	CIT, Visakhapatnam	12	3	5	2
34.	CIT. Meerut	12	NIL	5	2
35.	CIT(A), Bareilly	18	-	3	
36.	CIT, Ranchi	NIL	NIL	NIL	NIL
37.	CIT, Surat	1	-		
38.	CIT(A)-II, Madras	34	NIL	34	NIL
39.	CIT, Bombay city-I Bombay	NIL	NIL	NIL	NIL
40.	CIT Jalandhar	18	NIL	1	NIL
41.	CIT(A)-IX, Delhi	53	NIL	37	NIL
42.	CIT(A)-II, Bombay	36	NIL	NIL	NIL
43.	CIT(A), Rajkot	20	NIL	NIL	NIL
44.	CIT(A)-XV, Bombay	5	NIL	4	NIL
45.	CIT(A)-VIII, Bombay	2	NIL	2	NIL
46.	CIT, Central-II Bombay	6	3	NIL	NIL
47.	CIT(A)-V, Madras	1	NIL	1	NIL
48.	CIT Bombay city-VII Bombay	NIL	NIL	NIL	NIL
49.	CIT(Bombay city-VI) Bombay	NIL	NIL	NIL	NIL
50.	CIT, Conchin	25	8	6	4
51.	CIT, Gujarat-III Ahmedabad	7	1	6	NIL
52.	CIT, Agra	83	15	58	10
53.	CIT (A)-I, Delhi	6	NIL	6	NIL
54.	CIT (Bombay city-X) Bombay	NIL	NIL	NIL	NIL
55.	CIT (A)-XIII, Bombay	NIL	NIL	NIL	NIL
56.	CIT (A)-III, Madras	61	39	37	2
57.	Chief Commissioner Hyderabad (AP-I, II, III)	79	4	14	13
58.	CIT, (A) X, Bombay	NIL	NIL	NIL	NIL
59.	CIT, Central-I Bombay	1	NIL	1	NIL
60.	CIT(A), Pune	1	NIL	1	NIL
61.	CIT, Gujarat-I Ahmedabad	34	NIL	33	NIL
62.	CIT, Haryana, Rohtak	25	1	13	6
63.	CIT, Delhi-II	NIL	NIL	NIL	NIL
64.	CIT, Nasik	62	41	21	NIL
65.	CIT, (A) Jalandhar	4	NIL	NIL	NIL
66.	CIT, Allahabad	15	1	11	NIL
67.	CIT(A), Bhopal	28	4	23	1
68.	CIT, Vidarbha, Nagpur	174	NIL	1	2
69.	CIT, Jaipur	69	22	44	3
70.	CIT(A)-VIII, Calcutta	4	NIL	NIL	NIL
71.	CIT(Bombay city-VIII) Bombay	11	7	3	1
72.	CIT(Bombay city-III), Bombay	NIL	NIL	NIL	NIL
73.	CIT, Patiala	81	2	44	3
74.	CIT, Trivandrum	29	1	17	NIL
75.	CIT, (Central) Kanpur	13	NIL	1	NIL
76.	CIT.(Bombay city-XI) Bombay	1	NIL	1	NIL
77.	CIT, Baroda	7	5	NIL	NIL



1	2	3	4	5	6
78.	CIT, Delhi-V, New Delhi	3	1	2	NIL
79.	CIT(West Bengal-X) Calcutta	NIL	NIL	NIL	NIL
80.	CIT, Jodhpur	8	5	1	1
81.	CIT, Delhi-VII	4	NIL	1	NIL
82.	CIT(A)-III, New Delhi	5	NIL	3	NIL
83.	CIT(A)-XVII, Bombay	15	1	3	1
84.	CIT(A)-V, Bombay	NIL	NIL	NIL	NIL
85.	CIT(A), Central-II, Calcutta	NIL	NIL	NIL	NIL
86.	CIT(A), Central-I, Calcutta	6	NIL	6	NIL
87.	CIT(A)-II, Calcutta	NIL	NIL	NIL	NIL
88.	CIT, (A)-IV, New Delhi	NIL	NIL	NIL	NIL
89.	CIT(A)-XIV, Calcutta	NIL	NIL	NIL	NIL
90.	CIT(Delhi-VIII), New Delhi	3	NIL	NIL	1
91.	CIT(Delhi-III), New Delhi	1	NIL	1	1
92.	CIT(Bombay city-XII), Bombay	1	NIL	1	NIL
93.	CIT(Bombay city-IV), Bombay	5	1	4	1
94.	CIT(Central) Ludhiana	117	9	40	21
95.	CIT(West Bengal-VII) Calcutta	NIL	NIL	NIL	NIL
96.	CIT(Delhi-VI) New Delhi	4	NIL	NIL	NIL
97.	CIT(WB-VIII) Calcutta	7	28	15	NIL
98.	CIT, Bangalore	10	NIL	5	NIL
99.	CIT, Gujarat (Central)	6	5	NIL	NIL
100.	CIT, Jabalpur	52	1	16	2
101.	CIT, Kanpur	8	NIL	8	NIL
102.	CIT, Madurai	75	15	57	3
103.	Chief Commissioner Madras	241	53	146	22
104.	CIT(Central) I & II, Calcutta	3	3	NIL	NIL

### Recommendation

The Committee regret to say that although the provisions regarding taxation of agricultural lands comprised in the specified plantations remained on the statute book for over a decade yet the Central Board of Direct Taxes knowing fully well that valuation of these lands in particular for wealth tax purposes was a complex subject, did not frame any rules or guidelines for being followed by the assessing officers for valuation of these lands. Ironically, in 1982, while the tax provisions in regard to agricultural lands and growing crops were withdrawn from the statute book through the Finance Act, 1982, the Central Board of Direct Taxes became alive to the need for issue of guidelines for valuation of these lands with a view to speeding up the disposal of pending assessments involving valuation. The magnitude of pendency of assessments can be gauged from the fact that as on 28th February, 1982, the pendency of assessments in respect of Karnataka Coffee Plantation alone was nearly 40,000. This figure would certainly have been much more in respect of all types of plantations (tea, coffee, rubber and cardamom) all over the country. Had the guidelines for valuation been issued earlier, the pendency would surely have been very low.

It is disquieting to find that the clarification contained in circular issued in 1983 was made applicable only to coffee plantations and that too in



Karnataka alone. This only indicates that the matter was not given the serious attention it deserved. The Committee deprecate the lackadissical approach of the Government in an issue so vital for raising revenues. The provisions of a Central Law are applicable to the whole of the country and therefore there should not be any justification whatsoever for the guidelines issued thereunder being made applicable to certain limited area/areas to the disadvantage or advantage of others. While deprecating the manner in which the whole issue was handled the Committee only hope that the government would not resort to such a discriminatory practice in future which can give rise to justified criticism apart from being illegal.

[S. Nos. 12&14(Para Nos.2.3 and 2.3) of 116th Report of PAC(87-88)  
(8th Lok Sabha).]

#### Action Taken

Board's Circular No. 326 dated 6th February, 1982 on valuation of agricultural land comprised in tea, coffee, rubber and cardamom plantation—Guidelines regarding, was applicable for all the charges in order to have some uniform procedure for the valuation of land comprised in above plantations. Some broad guidelines were laid down for the valuation of such lands and the circular was not issued only for Karnataka Charges. It was only in 1983 when Circular No. 357 was issued from F.No. 319/9/83-WT dated 26th March, 1983/12th May, 1983 vide which some broad guidelines for valuation of such lands for speedy completion of pending assessments in Karnataka Charges were issued. It has already been clarified in our reply to Item No. 21(ii) that disputes with regard to valuation of coffee estates as on 1-2-1982 were pending in only Karnataka Charges. Vide our reply to Item No. 21(iv) it was clarified that there were no representations from any other State for issuing such Circular as Circular No. 357 for Karnataka Charges. Even without representation the Board considered laying down such norms as for Karnataka Charges vide Circular No. 357 dated 26-3-1983 for Coffee Plantation elsewhere in the country and also for different plantation mostly concentrated in Tamilnadu, West Bengal, Assam, Himachal Pradesh and Kerala. As per the reasons stated in reply to item No. 21(iv) it was decided not to extend the circular to other States. It is further reiterated that the presumption that Board's instructions vide Circular No. 357 dated the 26-3-1983 were only in the interest of coffee plantation is not correct. The said Circular was issued as it was felt there being no floor price per acre was resulting in undue advantage to some coffee estate owners. As per factual report received in this regard from CIT Karnataka Charges, only in 665 cases the value ascertained on the basis of Circular No. 357 was less than the value as shown in the returns filed by the assesseees in earlier years. Against this, there was revenue gains in



1535 cases as a result of this Circular. Hence by no stretch of it could be presumed that Board's circular No. 357 dated 26-3-1983 was only in favour of assesseees.

(Approved by the Additional Secretary to the Govt. of India)

F No.241/1/88-A&PAC-I.

F. No.326/2/88-WT

## CHAPTER V

### RECOMMENDATIONS AND OBSERVATIONS IN RESPECT OF WHICH GOVERNMENT HAVE FURNISHED INTERIM REPLIES

#### Recommendation

In reply to a question whether any review of the Valuation Cell has been conducted to see if the objectives for which it was created have been achieved. The Committee was informed that it has not been done so far. The Chairman, Central Board of Direct Taxes while disavowing such a review expressed the view that the Valuation Cell was not meant to be a revenue raising mechanism and it had been created to do justice both to the tax payer as well as the Board. Audit has pointed out certain deficiencies and weaknesses in the functioning of the Valuation Cell and some of these audit findings have already been accepted in the Ministry. Seeing the persistence of the same types of omissions and deficiencies as were pointed out by the Committee in an earlier report, the Committee are convinced that the functioning of the Valuation Cell needs to be reviewed thoroughly so as to remedy the weakness and deficiencies in the Cell. On an enquiry made by the Committee, the Secretary (Revenue) agreed during evidence that the Ministry would have the study/review conducted by the National Institute of Public Finance and Policy. The Committee desire that necessary action to commission such study may be taken without any loss of time. The Committee would also like to be apprised of the result of the Study/review so made.

[S.No. 6(Para No. 1.16 ) of 116th Report of PAC (1987-88)  
(8th Lok Sabha)]

#### Action Taken

National Institute of Public Finance and Policy have been entrusted the job of conducting a study on the functioning of Valuation Cell on top priority basis.

(Approved by the Additional Secretary to the Govt. of India).

F.N. 241/2/88-A&PAC-I.

F.No.326/2/88-WT.

NEW DELHI,  
*August 10, 1990*

*Sravana 19, 1912 (Saka)*

SONTOSH MOHAN DEV,  
CHAIRMAN,

*Public Accounts Committee*



## PART II

### MINUTES OF THE 5TH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 31ST JULY, 1990 IN COMMITTEE ROOM NO. 50, PARLIAMENT HOUSE

The Committee sat from 1500 hrs. 1730 hrs.

#### PRESENT

Shri Sontosh Mohan Dev *Chairman*

#### MEMBERS

2. Shri G.M. Banatwalla
3. Shri Nirmal Kanti Chattarjee
4. Shri P. Chidambaram
5. Shri Mallikarjun
6. Prof. Gopalrao Mayekar
7. Shri Kailash Meghwal
8. Shri Shantilal Purushottamdas Patel
9. Shri Janardhana Poojary
10. Shri Amar Roypradhan
11. Shri T.R.Balu
12. Shri H. Hanumanthappa
13. Shri Sunil Basu Ray
14. Shri Vishvjit P. Singh
15. Shri Rameshwar Thakur

#### SECRETARIAT

Shri G.S. Bhasin *Deputy Secretary*

#### REPRESENTATIVES OF AUDIT

- |    |                       |   |
|----|-----------------------|---|
| 1. | Shri R. Parameswar    | Dy. C&AG  |
| 2. | Shri S. Sounderrajan  | Addl. Dy. C&AG                                    |
| 3. | Shri S.B. Krishnan    | Pr. Director (Reports)                            |
| 4. | Shri T. Sethumadhavan | Pr. Director (Direct Taxes)                       |
| 5. | Shri K. Krishnan      | Director (Direct Taxes)                           |
| 6. | Shri K. Jayaraman     | Dy. Director (Rlys)                               |
| 7. | Shri A.K. Menon       | Director General of Audit,<br>Defence Services    |
| 8. | Shri Baldev Rai       | Pr. Director of Audit,<br>Air Force & Navy        |
| 9. | Shri R.P. Singh       | Director (Reports) Office<br>of DGA DS New Delhi. |

2. The Committee considered the following draft Reports and adopted the same subject to certain modifications and amendments as indicated in Annexure.

- (ii) Draft Report on action taken on 116th Report of PAC ( 8th Lok Sabha) regarding Functioning of Valuation Cells and Valuation of immovable properties.

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4. With regard to the draft Reports adopted by the Committee as per Para No. 2 above, the Committee authorised the Chairman to finalise these draft Reports in the light of verbal changes and minor modifications/ amendments arising out of factual verification by the audit and present the reports to the House.

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The Committee then adjourned.



## ANNEXURE

### MODIFICATIONS/AMENDMENTS MADE IN THE DRAFT REPORT ON ACTION TAKEN ON 116TH REPORT OF PUBLIC ACCOUNTS COMMITTEE (8TH LOK SABHA) REGARDING FUNCTIONING OF VALUATION CELLS AND VALUATION OF IMMOVABLE PROPERTIES

Page	Para	Line(s)	Modifications/Amendments
4	1.6	16	<p>After 'scrutiny'.</p> <p>Add 'The Committee further recommend that in the light of experience gained, in CBDT/Ministry of Finance should take steps to amend/modify the valuation rules/methods, where required so as to avoid adverse decisions of the Appellate Authorities in future'.</p>
5	1.7	2—4	<p>For the existing lines</p> <p>Substitute the following:</p> <p>'priority basis. In a subsequent note dated 11 January, 1990, the Ministry of Finance (Deptt. of Revenue) had informed as follows:</p> <p style="padding-left: 40px;">“....Report of the the National Institute of Public Finance and Policy has not yet been received and efforts are being made to have the same expedited. Final action taken note on Para 1.16 (Sl. No. 6) of 116th Report of Public Accounts Committee would be sent as soon as the same is received.”</p> <p>The Report of the study is still awaited.</p> <p>The Committee are concerned to note that even after 2-1/2 years of the presentation of the 116th Report of the Committee to the House, the study entrusted to the National Institute of Public Finance and Policy has not yet been completed by the Institute although according to the Ministry top priority was accorded to the study. The Committee would like to be informed of the reasons for the delay and the latest position in the matter.”</p>
6	1.9	5—8	<p>For “While issuing guidelines.....in future.”</p> <p>Substitute “The Committee note with regret that despite their earlier recommendation, Circular No. 357 is still applicable to only the State of Karnataka While circular No. 326 applies to other States. The Committee desire that this discrimination be done away with and while issuing guidelines in this regard the Ministry should ensure that no room was left for any doubt in future.”</p>

## APPENDIX I

### STATEMENT SHOWING CLASSIFICATION OF ACTION TAKEN NOTES RECEIVED FROM GOVERNMENT

- (i) Recommendations/Observations which have been accepted by Government:  
Sl. Nos. 1, 2, 3, 4, 7, 9, and 10.
- (ii) Recommendations and Observations which the Committee do not desire to pursue in the light of the replies received from Government:  
Sl. Nos. 8, 11 and 13.
- (iii) Recommendations and Observations replies to which have not been accepted by the Committee and which required reiterations:  
Sl. Nos. 5, 12 and 14.
- (iv) Recommendations in respect of which Government have furnished interim replies:  
Sl. No. 6.



## APPENDIX II

(Vide Para 1.9)

F. No. 319/15/80-WT

GOVERNMENT OF INDIA

MINISTRY OF FINANCE

### CENTRAL BOARD OF DIRECT TAXES

New Delhi, the 6th Feb., 1982

**SUBJECT:** *Valuation of agricultural land comprised in tea, coffee, rubber and cardamom plantations—guidelines regarding.*

Prior to the amendment made by the Finance Act, 1969, agricultural wealth was wholly exempt from Wealth-tax. The Finance Act, 1969 extended the levy of Wealth-tax to the value of agricultural property with effect from assessment year 1970-71. The Finance (No. 2) Act, 1980 has excluded from the purview of Wealth-tax the value of agricultural property other than value of agricultural land comprised in tea, coffee, rubber or cardamom plantations and trees standing on such plantations. This amendment has come into force with effect from 1st April, 1981 and accordingly applies in relation to assessment year 1981-82 and subsequent years. Therefore, agricultural lands comprised in tea, coffee, rubber and cardamom plantations and liable to Wealth-tax from assessment year 1970-71 onwards. However, the value of agricultural land comprised in tea, coffee, rubber or cardamom plantations continues to enjoy a limited exemption along with value of specified financial assets upto Rs. 1.5 lakhs.

2. So far, no rules have been framed for the valuation of agricultural lands or lands comprised in tea, coffee, rubber or cardamom plantations in particular. In order to have some uniform procedure for the valuation of agricultural land comprised in these plantations, the following broad guidelines have been laid down for the valuation of such lands.

3. The agricultural land in the specified plantation may be classified into the following three categories, namely:—

- (a) lands covered by plants which have started yielding;
- (b) virgin land which is in the process of being developed and land covered by plants which have not started yielding;
- (c) virgin land capable of being planted but which has not been planted lands not falling in any of the above specified categories.

4. The value of the land at 3(a) above will be determined by employing the 'income capitalisation method'. For this purpose, land utilised for constructing roads, paths, farm houses, store houses, yards, building for procession, building for housing the coolies and the supervisory staff will not be worked out separately, but will be deemed to be covered by the value of the land with reference to the yield.

The following procedure will be adopted:

- (a) The net annual income of the estate will be computed by taking the average of the aggregate gross income as per accounts for 6 years including the relevant accounting year as reduced by the average of aggregate expenditure for the same years.
- (b) If any expenditure for self-management is not debited to the accounts, the average aggregate expenditure will be increased by an amount equal to 5% of the average of the gross income from the plantation as an allowance for self-management of the plantation.
- (c) In computing expenditure, the expenses will be allowed on commercial principles but will not include the following:
  - (i) Interest on borrowals for preparation and development of the estate.
  - (ii) Provision of gratuity.
  - (iii) Expenses of personal nature.
  - (iv) Wealth-tax.
  - (v) Depreciation on plant and machinery (excluding tools and implements).
  - (vi) Expenses of capital nature.
- (d) The net annual income as computed above will be reduced by an ad hoc deduction of 25% of such net annual income.
- (e) The annual income as so arrived at will be capitalised by adopting a multiplier of 6.

5. The value of land at 3(b) above will be determined by adding the actual cost of the improvement of the market value of the virgin land.

6. The value of land at 3(c) above will be determined by the usual method of valuation i.e. to ascertain the market value on the basis of what it would fetch if sold in the open market. While doing so, due regard may be given to the value of the land recommended by the Tea/Coffee/Rubber/Cardamom Board for the purpose of granting development loan relevant to the valuation on date.



7. Pending Wealth-tax assessments involving valuation of specified plantation may be finalised on the above basis.

Sd/-

P. RANGANATHAN,

*Under Secretary*

*Central Board of Direct Taxes*

Copy to:

1. All Chambers of Commerce.
2. All Commissioners of Income-tax.
3. All Commissioners of Income-tax (Appeals).
4. All Inspecting Assistant Commissioners and Appellate, Assistant Commissioners of Income-tax.
5. Director of Inspections (Income-tax and Audit)/(RSP&PR)/(PUB)/(Investigation)/(Vigilance)/(Special Cell)/Director O&B Services (Income-tax).
6. All Officers and Sections in the Central Board of Direct Taxes.
7. Assistant Director of Inspection (Bulletin).
8. Comptroller & Auditor General of India.
9. Superintending Engineer (Valuation).
10. Ministry of Law, Justice and Company Affairs.

Sd/-

P. RANGANATHAN,

*Under Secretary*

*Central Board of Direct Taxes*

### APPENDIX III

(Vide Para 1.9)

F. No. 319/9/83-WT

GOVERNMENT OF INDIA

### CENTRAL BOARD OF DIRECT TAXES

*New Delhi, the 26th March, 1983/12 May, 1983*

**SUBJECT:** *Valuation of agricultural land comprised in tea, coffee, rubber and cardamom plantations—guidelines regarding.*

Attention is invited to Board's circular No. 326 dated 6th February, 1982 issued from file No. 319/15/80/WT on the above subject. In view of various practical difficulties in implementing this circular the Board makes the following broad guidelines for the valuation of lands comprised in coffee plantations in order to have some uniform procedure for speedy completion of the pending assessments as far as Karnataka Charges are concerned.

2. The plantation, land in the coffee plantations may be classified into the following three categories, namely:—

- (a) lands covered by plants which have started yielding;
- (b) virgin land which is in the process of being developed and land covered by plants which have not started yielding;
- (c) virgin land capable of being planted but which has not been planted and lands not falling in any of the above specified categories.

3. In valuing lands at 2(a) above, the value will be determined on the basis of yield per acre. As far as coffee plantations are concerned, the following yield/value pattern was considered reasonable:—

Yield per acre in Kgs.	Valuation (Rs.)
250 and below	5,000.00
251-350	6,000.00
351-450	7,000.00
451-550	9,000.00
551-650	11,000.00
651-750	13,000.00
751 and above	15,000.00



The average of six years production of the yielding area is to be arrived on this basis. Where, however, six years data is not available, the average is to be worked out with reference to the number of years for which yield is available.

4. In respect of lands at 2(b) above, the value may be taken at Rs. 3,000 per acre with due consideration to peculiar factors in individual cases. With regard to value of lands at 2(c) above, no value need be taken as the value of such virgin lands may be negligible.

5. Regarding the stock of coffee, a value of the same may be separately determined on the basis of the average of the preceding three years' dividend and added to the value of the land.

6. With regard to the other assests, such as land utilised for constructing roads, baths, farm houses, yards, buildings for processing, building for housing the coolies and supervisory staff etc., no separate addition need be made.

7. Pending Wealth-tax assessments involving valuation of coffee plantations may be finalised on the above basis.

Sd/-

P. RANGANATHAN,  
UNDER SECRETARY,  
CENTRAL BOARD OF DIRECT TAXES

#### APPENDIX IV

##### Conclusions and Recommendations

Sl. No.	Para No.	Conclusions / Recommendations
1	2	3
1.	1.6	<p>The Report of the DOMS(IT) has brought out that in a purely technical sense the Valuation Cell is not only cost effective but also there were other intangible benefits such as the tax paying public know that their property values are susceptible to verification by the Cell. However, the Committee find that the main thrust of their recommendations has not been met by the Ministry. A study of the data furnished by the Ministry in their action taken note regarding the total number of cases in which the assessee preferred appeals against valuation and the number of cases in which the valuation was upheld and the number of cases in which the valuation was reduced or deleted by the Appellate Authority has revealed certain interesting facts which throw light on the efficacy of the working of Valuation Cells. From the details furnished by the Ministry, it is seen that out of a total of 1998 cases in which the assessee preferred appeal during the years 1985-86 and 1986-87 decisions of Appellate Authorities have been received in 1375 cases and in 317 cases which represent 23% of the decided cases, the valuation determined by the Valuation Cell was upheld as against 67.6% of the cases in which the valuation was reduced by the Appellate Authorities and in 9.4% of the cases the same was deleted. Evidently, the results indicate that the working of the Valuation Cell needs to be overhauled and there is an urgent necessity to have the adverse decision in 77% cases studied in depth so that the shortcomings and mistakes committed by the Valuation Cells in arriving at valuation of various properties are analysed and steps are taken to avoid those pitfalls which not only affect</p>



the revenues of the Government adversely but also results in unnecessary litigation. The Committee therefore desire that an effective system for feedback of information regarding results of appeals at periodical intervals should be developed so that errors committed by the Valuation Cells are not only avoided in future assessments but are also made known to the Valuation Officers throughout the country to enable them to adopt correct valuation methods which stand the test of judicial scrutiny. The Committee further recommend that in the light of experience gained the CBDT/Ministry of Finance should take steps to amend/modify the valuation rules / methods, where required, so as to avoid adverse decisions of the Appellate Authorities in future.

2. 1.8

The Committee are concerned to note that even after 2½ years of the presentation of the 116th Report of the Committee to the House, the study entrusted to the National Institute of Public Finance and Policy has not yet been completed by the Institute although according to the Ministry top priority was accorded to the study. The Committee would like to be informed of the reasons for the delay and the latest position in the matter.

3. 1.10

According to the plea put forth by the Ministry of Finance (Deptt. of Revenue), Circular No. 357 was issued because there were no representations from other States and the disputes with regard to Coffee Estates were pending only in Karnataka Charges. The Committee do not consider these as sufficient grounds for issue of guidelines for Karnataka alone. A perusal of the circular No. 357 would lead to an inescapable conclusion that the guidelines were discriminatory in nature so far as the States other

than Karnataka were concerned. Even if there was no representation from other States, it was expected of the Government to issue guidelines common to all States. The Committee note with regret that despite their earlier recommendation, Circular No. 357 is still applicable to only the State of Karnataka while Circular No. 326 applies to other States. The Committee desire that this discrimination be done away with and while issuing guidelines in this regard, the Ministry should ensure that no room was left for any doubt in future.



**LIST OF AUTHORISED AGENTS FOR THE SALE OF LOK SABHA  
SECRETARIAT PUBLICATIONS**

Sl. No.	Name of Agent	Sl. No.	Name of Agent
<b>ANDHRA PRADESH</b>		<b>UTTAR PRADESH</b>	
1.	M/s. Vijay Book Agency, 11-1-477, Mylargadda, Secunderabad-500 361.	12.	Law Publishers, Sardar Patel Marg, P.B. No. 77, Allahabad, U.P.
<b>BIHAR</b>		<b>WEST BENGAL</b>	
2.	M/s. Crown Book Depot., Upper Bazar, Ranchi (Bihar).	13.	M/s. Madimala, Buys & Sells, 123, Bow Bazar Street, Calcutta-1.
<b>GUJARAT</b>		<b>DELHI</b>	
3.	The New Order Book Company, Ellis Bridge, Ahmedabad-380 006. (T. No. 79065)	14.	M/s. Jain Book Agency, C-9, Connaught Place, New Delhi, (T. No: 351663 & 350806)
<b>MADHYA PRADESH</b>		15.	M/s. J.M. Jaina & Brothers, P. Box 1020, Mori Gate, Delhi-110006 (T. No. 2915064 & 230936).
4.	Modern Book House, Shiv Vilas Place, Indore City. (T. No. 35289).	16.	M/s. Oxford Book & Stationery Co., Scindia House, Connaught Place, New Delhi-110001. (T. No. 3315308 & 45896)
<b>MAHARASHTRA</b>		17.	M/s. Bookwell, 2/72, Sant Nirankari Colony, Kingsway Camp, Delhi-110 009. (T. No. 7112309).
5.	M/s. Sunderdas Gian Chand, 601, Girgaum Road, Near Princes Street, Bombay-400 002.	18.	M/s. Rajendra Book Agency, IV-DR59, Lajpat Nagar; Old Double Storey, New Delhi-110 024. (T. No. 6412362 & 6412131).
6.	The International Book Service, Deccan Gymkhana, Poona-4.	19.	M/s. Ashok Book Agency, BH-82, Poorvi Shalimar Bagh, Delhi-110 033.
7.	The Current Book House, Maruti Lane, Raghunath Dadaji Street, Bombay-400 001.	20.	M/s. Venus Enterprises, B-2/85, Phase-II, Ashok Vihar, Delhi.
8.	M/s. Usha Book Depot, 'Law Book Seller and Publishers' Agents Govt. Publications, 585, Chira Bazar, Khan House, Bombay-400 002.	21.	M/s. Central News Agency Pvt. Ltd., 23/90, Connaught Circus, New Delhi-110 001. (T. No. 344448, 322705, 344478 & 344508).
9.	M & J Services, Publishers, Rep- resentative Accounts & Law Book Sellers, Mohan Kunj, Ground Floor, 68, Jyotiba Fuele Road Nalgaum, Dadar, Bombay-400 014.	22.	M/s. Amrit Book Co., N-21, Connaught Circus, New Delhi.
10.	Subscribers Subscription Services India, 21, Raghunath Dadaji Street, 2nd Floor, Bombay-400 001.	23.	M/s. Books India Corporation Pub- lishers, Importers & Exporters, L-27, Shastri Nagar, Delhi-110 052. (T. No. 269631 & 714465).
<b>TAMIL NADU</b>		24.	M/s. Sangam Book Depot, 4378/4B, Murari Lal Street, Ansari Road, Darya Ganj, New Delhi-110 002.
11.	M/s. M. M. Subscription Agencies, 14th Murali Street (1st Floor), Mahalingapuram, Nungambakkam, Madras-600 034. (T. No. 476558)		