

(b) and (c). Do not arise.

HARASSMENT OF INCOME-TAX ASSESSEES

*685. **SHRI YAJNA DATT SHARMA** : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Central Board of Direct Taxes has issued a Departmental Circular to all the Income Tax Officers indicating that the exemption granted under Finance (No. 2) Act, 1965 on voluntarily disclosed amounts and approved by various Commissioners of Income-tax is available to the declarants alone and that exemption ceases if the said approved amounts are loaned or invested elsewhere in other than such declarants' own business or purposes directly;

(b) whether Income-tax Officers in Madhya Pradesh, Jammu and Kashmir and Haryana in pursuance of the above circular are imposing heavy penalties and are putting irrelevant questions to the assessee and thus harass the public unnecessarily; and

(c) if so, the action proposed by Government in the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. C. PANT) : (a) The Central Board of Direct Taxes has issued instructions clarifying the scope of section 24 of Finance (No. 2) Act, 1965. The exemption is available if the investments or loans have, in fact, come from the persons who have made declarations under the Scheme.

(b) No, Sir. In cases where it is established that a particular amount is the income of a person other than the declarant and he has not disclosed the same in his return of income penalty is levied in accordance with law. No questions are asked in the assessment of persons making the declaration. There is no harassment if enquiries are made in the case of persons other than the declarant.

(c) Does not arise.

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INCOME-TAX ON RAILWAY PASSES AND P.T.Os.

*686. **SHRI LOBO PRABHU** :
SHRI GADILINGANA GOWD :
SHRI N. SHIVAPPA :

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that Railway Passes and P.T.Os. are exempted from Income-tax; and

(b) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. C. PANT): (a) Yes, Sir.

(b) The reasons are :—

(i) The income-tax Act itself provides that, in the case of employees whose salary does not exceed Rs. 18,000 per annum, the monetary value of benefits in kind should not be included in their salary or assessment to tax.

(ii) Even in the case of employees drawing a salary of more than Rs. 18,000 per annum what could be taxed was not the monetary value of the passes and P.T.Os to the employees but the actual cost to the employer on account of the journey. It was considered that this cost would be very difficult to determine and the additional revenue which would accrue to Government, even by making a lump sum addition to income, as estimated value of the concession would be small.

ALLEGATIONS AGAINST LATE DR. T. SAIFUDIN

*687. **SHRI GEORGE FERNANDES** : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 5629 on the 13th July, 1967 regarding allegations