

**LOK SABHA**

Friday, April 28, 1995/ Vaisakha 8, 1917 (Saka)

(The Lok Sabha met at Eleven of the Clock)

[MR. SPEAKER in the Chair]

[English]

**Obituary Reference**

MR. SPEAKER : Hon. Members, it is my sad duty to inform the House of the passing away one of our former colleagues namely Shrimati Hansa Mehta.

Shrimati Hansa Mehta was a member of the Constituent Assembly representing Bombay during 1946-1950. She was one of the prominent women leaders who participated in our country's freedom movement. Born in 1897, she started her political career by actively associating herself with various women's organisations. She was the Secretary of National Council of Women, and later served as the Vice-President and President of All India Women's Conference during 1945-46.

Earlier, she had served as the Member of Bombay Legislative Council in 1937-1939 and again in 1946-1952. During 1937-1939, she served as a parliamentary secretary.

A multi-faceted personality, she was an educationist of repute. She served as a fellow of Senate of University of Bombay during 1931-1946 and Member of Board of Studies in Gujarati, University of Bombay in 1935. During 1949-1958 she was the Vice-Chancellor of Maharaja Sayajirao University of Baroda. Besides, she was actively associated with the University Grants Commission and various other educational organisations. She was awarded honorary degrees by several universities.

She represented India in the Human Rights Commission of United Nations during 1947 to 1952. She was also one of the Indian delegates to the Commonwealth Parliamentary Conference in 1948. She led the Indian delegation to the World Family Congress held at Paris in 1958. She was member of Indian delegation to UNESCO Conference in 1956 and 1958-1960 and participated in various social and cultural conferences at the national and international levels.

A champion of the cause of women, she strove relentlessly at various national and international fora for the education and amelioration of the women. Her exemplary achievements were duly recognised, when she was conferred upon the prestigious award of 'Padma Bhushan' in 1959.

She wrote several books in Gujarati language. She also translated 'Hamlet' and 'Merchant of Venice' into Gujarati. She also translated one Sanskrit classic into Gujarati. Apart from these, she had published a few notable works in English on the topics related to women's issues and Post-War Educational Reconstruction.

Shrimati Hansa Mehta passed away on 4th April, 1995 at Bombay at the age of 98 years.

We deeply mourn the loss of this friend and I am sure the House will join me in conveying our condolences to the bereaved family.

The House may now stand in silence for a shortwhile as a mark of respect to the deceased.

11.02 hrs

*The Members then stood in silence for a short while.*

11.04 hrs

**ORAL ANSWERS TO QUESTIONS**

[Translation]

**Raids by I.T. Department**

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\*361. SHRI CHHITUBHAI GAMIT :  
SHRI CHANDRESH PATEL :

Will the Minister of FINANCE be pleased to state :

(a) the total number of raids conducted by the Income Tax department during the last one year, State-wise;

(b) the details of unaccounted money, documents, gold, silver and other articles seized and other undeclared property unearthed during these raids;

(c) the number of persons prosecuted/convicted in this regard; and

(d) the total number of Income Tax assesseees in each State and the amount of tax collected by the Government during the last two years, State-wise?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) :  
(a) and (b). The details are given in Statement-I

(c) No prosecution has been launched in respect of cases reported in Statement-I as assessments are yet to be finalised.

(d) The details of total number of Income Tax assesseees are given in Statement-II and the details of amount of tax collected during the last two years are given in Statement-III.

## STATEMENT-I

State	No. of Warrants	Value of Assets seized			Total
		Cash	Jewellery	Other Assets	
					(Rs. in lakhs)
Andhra Pradesh	385	561.28	534.76	2314.54	3410.58
Assam	12	-	-	-	-
Bihar	101	223.36	9.06	237.11	469.53
Delhi	614	785.98	1013.88	613.51	2413.37
Goa	1	6.00	-	-	6.00
Gujarat	531	606.46	747.59	2353.70	3707.75
Haryana	94	109.21	59.59	194.93	363.73
Himachal Pradesh	7	32.90	6.45	56.80	96.15
Jammu and Kashmir	-	-	-	-	-
Karnataka	197	495.50	195.81	3779.17	4470.48
Kerala	112	221.74	175.50	509.58	906.82
Madhya Pradesh	58	146.34	90.85	1342.73	1579.92
Maharashtra	1090	1775.95	1338.75	5850.11	8964.81
Orissa	10	5.31	-	17.60	22.91
Pondicherry	2	-	-	-	-
Punjab	406	406.30	504.98	1338.84	2250.12
Rajasthan	162	159.72	315.87	233.59	709.18
Tamil Nadu	315	531.50	614.38	1886.20	3032.08
Tripura	8	0.10	5.09	-	5.19
Uttar Pradesh	228	305.63	104.18	985.38	1395.19
West Bengal	497	624.23	1170.36	2544.57	4339.16
<b>Total</b>	<b>4830</b>	<b>6997.51</b>	<b>6887.10</b>	<b>24258.36</b>	<b>38142.97</b>

## STATEMENT-II

*Of Income Tax Assesseees During Financial Years 1993-94 and 1994-95 (Upto February, 1995)*

S. No.	CCsIT and Central Charges	States/U.Ts over which CCIT's jurisdiction extends	1993-94	1994-95* (upto Feb., 1995)
1	2	3	4	5
1.	Ahmedabad	Gujarat, Daman, Diu, Dadra and Nagar Haveli	913550	932641
2.	Bangalore	Karnataka, Goa	524684	567362
3.	Bhopal	Madhya Pradesh	433640	466212
4.	(a) Bombay (b) Pune	Maharashtra	2123447	2100984
5.	Calcutta	West Bengal, Andaman and Nicobar Islands	1200011	1208791
6.	Cochin	Kerala, Lakshw deep	241255	288737
7.	Hyderabad	Andhra Pradesh	567356	544094
8.	Jaipur	Rajasthan	411644	416741
9.	Madras	Tamil Nadu, Pondicherry	833116	868720
10.	New Delhi	Delhi	691410	679982

1	2	3	4	5
11.	Chandigarh (N.W. Region)	Punjab, Haryana, Jammu and Kashmir Himachal Pradesh and Chandigarh	736146	769496
12.	(a) Kanpur (b) Lucknow ]	Uttar Pradesh	763107	749416
13.	Patna	Bihar, Orissa and North Eastern States	766355	777770
Total			10205721	10370946

\*Provisional

## STATEMENT-III

Statement Tax Collected During Financial Yearss 1993-94 and 1994-95 - CCsIT-wise

S. No.	CCsIT and Central Charges	States/U.Ts over which CCIT's jurisdiction extends	1993-94		1994-95 (Provisional)	
			Corporation Tax	Income Tax	Corporation Tax	Income Tax
			(Rupees in Crore)		(Rupees in Crore)	
1.	Ahmedabad	Gujarat, Daman, Diu, Dadra and Nagar Haveli	227.66	793.77	288.97	927.35
2.	Bangalore	Karnataka, Goa	319.59	535.97	342.10	665.27
3.	Bhopal	Madhya Pradesh	55.09	252.35	43.94	308.91
4.	(a) Bombay (b) Pune ]	Maharashtra	4389.56	2847.81	6600.98	3914.57
5.	Calcutta	West Bengal, Andaman and Nicobar Islands	1043.38	535.84	1103.71	636.78
6.	Cochin	Kerala, Lakshwadeep	142.62	243.54	101.88	296.91
7.	Hyderabad	Andhra Pradesh	223.82	340.61	265.54	501.66
8.	Jaipur	Rajasthan	59.29	181.77	42.06	230.08
9.	Madras	Tamil Nadu, Pondicherry	554.02	732.58	536.03	1066.22
10.	New Delhi	Delhi	1308.68	1048.59	1825.41	1634.16
11.	Chandigarh (North Western Region)	Punjab, Haryana, Jammu and Kashmir, Himachal Pradesh and Chandigarh	216.63	437.18	227.57	578.63
12.	(a) Kanpur (b) Lucknow ]	Uttar Pradesh	184.93	493.69	274.60	579.84
13.	Patna	Bihar, Orissa and North Eastern States	71.40	398.79	171.60	444.37
Total			8796.67	8842.49	11824.39	11784.75
Central TDS			1263.62	276.62	1634.11	289.32
			(Upto Feb. '95) (Upto Feb. '95)			
Grand Total			10060.29	9119.11	13458.50	12074.07

## [Translation]

SHRI CHHITUBHAI GAMIT : Mr. Speaker, Sir, the black money is increasing in the country and one of the factors behind it is that we do not have a 100 per cent recovery of Income Tax in our country. The Hon. Minister has mentioned in his reply that black money to the tune of Rs. 38142.97 lakh has been unearthed through raids conducted at the residences of tax-evaders during the

last one year. No action has been taken against black money hoarders. What are the reasons behind it? I would like to know from the Hon. Minister that since there are several loopholes in the Income Tax Act due to these no action is taken against Income Tax evaders. Whether the Hon. Minister is going to take any concrete steps to plug these loopholes? If so, the details thereof?

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY : Sir, the Government has taken a lot of steps to fight black-money. We have conducted searches and seizures. I wish to point out to the Hon. Member that in the year 1992-93 we have conducted nearly 4777 searches and the value of assets seized was Rs. 384.02 crore and the amount of concealed income surrendered was Rs. 5100.05 crore. In the next year viz., 1993-94, we had conducted 5026 searches and the value of assets seized was Rs. 396.45 crore and the amount of concealed income surrendered was Rs. 448.82 crore. In the subsequent year 1994-95, we had conducted nearly 4830 searches and the value of assets seized was 381.42 crore and the amount of concealed income surrendered was Rs. 577.08 crore. The Government is taking all steps to fight the blackmoney menace.

[Translation]

SHRI CHHITUBHAI GAMIT : Mr. Speaker, Sir, my second question is; what was the target fixed for the recovery of Income Tax during the each of the last five years and the amount actually recovered? What is the total amount of Income Tax outstanding in the country and the names of big companies and persons against whom a large amount of Income Tax is outstanding?

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY : Sir, due to liberalisation and reduction in tax structure, we are earning more revenues. In 1993-94, we had earned Rs. 19,179.48 crore by way of Corporate Tax and Income Tax. In 1994-95 - it is a provisional figure - we are going to earn Rs. 25,532.57 crore. So, there is a revenue increase of nearly Rs. 6,000 crore...*(Interruptions)*

[Translation]

SHRI CHHITUBHAI GAMIT : Please tell us the remaining amount.

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY : Sir, if the Hon. Member wants to know about a particular case. I will require a separate notice for that.

MR. SPEAKER : You need not give the names and all those things. You may not have those names also. But you can give the details regarding the target fixed, the amount collected, and whether it was according to your plan.

SHRI M.V. CHANDRASHEKHARA MURTHY : Sir, about the target and the amount we have realised...

SHRI NIRMAL KANTI CHATTERJEE : Have you exceeded your target?

SHRI M.V. CHANDRASHEKHARA MURTHY : We have exceeded our target. In 1994-95, provisionally, we have earned about Rs. 6,000 crore more by way of Income Tax and Corporate Tax.

Regarding the main outstanding defaulters, there is a big list and if you permit me, I am prepared to lay it on the Table.

MR. SPEAKER : You can give it to him. It is a published document.

SHRI NIRMAL KANTI CHATTERJEE : Although I was trying to help the Minister by suggesting that he has exceeded the target, there is a lacuna in the Statement and I draw his attention to that.

The figures for 1994-95 are provisional figures based on the revised estimates. If you go back to the last five or six years, everytime you will discover that the actuals are less than the revised estimates in terms of collection. That is so and I have mentioned it not only in my last year's Budget speech but every time. Therefore, the comparison really is not that valid.

But I am on a different point. That point is that if your tax raids are so successful then I want to know whether there is any coordination in the Department about the excise duty evaders Income Tax evaders and the bank defaulters. It is said that Rs. 90,000 crore have been defaulted in the banks. From the scam we know that some one lakh crores of rupees were earned. Is there any mechanism to coordinate and have a unified system of tax raids and other things?

SHRI M.V. CHANDRASHEKHARA MURTHY : The Department is taking all steps.

SHRI NIRMAL KANTI CHATTERJEE : What are those steps?

SHRI M.V. CHANDRASHEKHARA MURTHY : They are contacting the Sales Tax Commissioners of the States and they are writing to them. They are writing to the Excise Departments which come under the same Revenue Department. We have all information about them. The instructions are that any transaction beyond Rs. 20,000 is not permissible except by a cheque. We are getting all information from these sources. The Government is taking all steps to collect more information to include more assesses in this regard.

[Translation]

SHRI RAM NAIK : Mr. Speaker, Sir, the data given in Annexure 'A' indicate that only 12 raids were conducted in Assam but nothing was recovered therefrom. Not a single raid was conducted in Jammu-Kashmir. One raid was conducted in Goa in which Rs. 6 lakh were recovered nothing was recovered in the two raids which were conducted in Pondicherry. My question is that why was proper attention not given to these four states. Are the officials working in this Department reliable or they inform the concerned person in advance about the proposed raid and the is why nothing is recovered in these raids. I would like to know the reasons behind conducting such a small number of raids there and non-recovery of money or other things in these raids.

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY : The search and seizures are conducted based on the information. I will take the Hon. Member's suggestion for action.

MR. SPEAKER : But he has not made any suggestion.

(Interruptions)

[Translation]

SHRI RAM NAIK : Mr. Speaker, Sir, I have not got a reply to my question. The Hon. Minister must give at least some information. Everybody is aware that the officials dare not conduct raids in Jammu-Kashmir. Assam is infested with different kinds of terrorists problems. What action is being taken by the Government to make the Government machinery stronger in such states?

[English]

MR. SPEAKER : I think you get the money where it is available.

[Translation]

SHRI UPENDRA NATH VERMA : Is it a fact that the outstanding amount has been increasing for the last five years and that even 50 per cent outstanding amount is not recovered?

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY : Sir, once the demand is raised, the assessee will go and file an appeal. Subsequent to filing of the appeals and pending the decisions, we could not get the amount realised and the realisation becomes very difficult. And if the Hon. Member has any particular company or any ... (Interruptions)

MR. SPEAKER : Shri Verma, you can repeat your question please.

[Translation]

SHRI UPENDRA NATH VERMA : Sir, the outstanding amount has been continuously increasing for the last five years and the Government has not been able to recover 50 per cent of the total outstanding amount. What are the reasons therefor?

SHRI M.V. CHANDRASHEKHARA MURTHY : Sir, it is not correct. People go to the Court and file the appeals, which is allowed under the provisions of the law. I can assure the Hon. Members that we have collected more than fifty per cent. I do not have the figures with me now. As the number of raids and searches has increased, the number of Income-Tax assessee also has increased. It is but natural that even the arrears are mounting.

[Translation]

SHRI DATTA MEGHE : There are laws to recover Income Tax but several people having a lot of money and property, do not pay Income Tax and ask for later extension of dates. The Department's officials only keep on sending letters for three-four years. Though there is a provision in the law that if someone is not able to pay the Income Tax, his property can be attached. But we have seen that the outstanding Income Tax amount has been mounting against one person only for the last 5-6 years and he is not paying it. What is the number of cases where you have attached or propose to attach the property of the tax evaders.

[English]

MR. SPEAKER : Mr. Minister, if you have understood it, you can reply.

SHRI M.V. CHANDRASHEKHARA MURTHY : Sir, I have already replied to the question put by the earlier Hon. Member that we are taking all steps to recover the amount. We are taking serious steps in this regard. We have to do it within the framework of the law.

MR. SPEAKER : He wants to know why don't you attach their property to recover the amount.

SHRI M.V. CHANDRASHEKHARA MURTHY : We are doing it. That is the duty of the Tax Recovery Officers. They are on the job. They are doing it to the best of their efforts.

[Translation]

PROF. RASA SINGH RAWAT : The Government had launched a scheme to award those persons who gave any information regarding unaccounted, Income Tax property, gold, silver or jewellery so that more and more people would be encouraged to furnish such information. These people are capable of paying Income Tax yet they evade it. Is any such scheme still going on? The part 'b' of my question is....

MR. SPEAKER : One part of this question is enough.

[English]

SHRI M.V. CHANDRASHEKHARA MURTHY : Sir, I could not understand his question. Let the Hon. Member repeat his question.

MR. SPEAKER : You were rewarding the informants. Are you continuing that scheme?

SHRI M.V. CHANDRASHEKHARA MURTHY : Yes, it is continuing.

MR. SPEAKER : If you have any information, you can give.

SHRI M.V. CHANDRASHEKHARA MURTHY : Wherever searches are conducted, even the officers are getting rewards.

**SHRI HARISH NARAYAN PRABHU ZANTYE :** Mr. Speaker, Sir, only one raid has been conducted in Goa. However, I find that so many people have become very rich overnight. I understand from the papers that Yakub Memon has purchased land in Goa. I would like to know why only one raid has been conducted.

**MR. SPEAKER :** This question has already been replied.

[Translation]

**SHRI PRABHU DAYAL KATHERIA :** The outstanding amount of Income Tax has been mounting day-by-day. What action has so far been taken by the Government against those officials or employees who indulge in corruption? Since the Income Tax amount is not being recovered due to active collusion of the Income Tax evaders and the corrupt officials, what concrete step has been taken by the Government so far?

**MR. SPEAKER :** There are laws and steps are taken under them.

**SHRI PRABHU DAYAL KATHERIA :** Mr. Speaker, Sir, there is a large scale corruption in Income Tax Department.

**MR. SPEAKER :** There are laws for that, what do you want?

**SHRI KRISHAN DUTT SULTANPURI :** I would like to know from the Hon. Minister as to what is the total statewide number of cases at present and how long will it take to dispose of them? Do they continue pending for the whole year or the tax-payers go to the courts? Secondly, what is the position of the disposal of these cases? You have yourself asked about the targets, Why has the recovery been so less and why it is not increasing? The Income Tax is recovered from poor people but why not from rich people? The Hon. Minister must give a categorical reply to these questions in the House.

[English]

**SHRI M.V. CHANDRASHEKHARA MURTHY :** I have given the details about the cases of seizures and searches. In addition to this, the assessments regarding the searches and seizures had to be finalised within two years' time. Under the new procedure proposed in the Finance Bill that we are going to discuss in the coming few days, it should be decided and the assessment should be completed within one year.

#### Overdraft by States

\*362. **SHRI KODIKKUNNIL SURESH :**  
**SHRI DATTA MEGHE :**

Will the Minister of FINANCE be pleased to state :

(a) whether several States are facing the problem of overdraft at present;

(b) if so, the amount of overdraft against each State;

(c) whether the Reserve Bank of India has fixed the Ways and Means Limit for each State separately;

(d) if so, the details thereof;

(e) whether some States have drawn beyond the fixed limit;

(f) if so, the details in this regard and the reasons therefor;

(g) whether the Government have permitted the States to raise resources through market borrowings; and

(h) if so, the details thereof?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY):** (a) to (h). A statement is laid on the Table of the House.

#### STATEMENT

(a) to (f). Depending on the volume of transactions of each State, the Reserve Bank of India has fixed the Ways and Means Limit for each State separately. The States are allowed to overdraw their account upto the Ways and Means Limit fixed by the Reserve Bank of India. When the States draw beyond the Ways and Means Limit for more than 10 working days continuously, Reserve Bank of India stops the payment.

The position of cash balance and overdrawal, if any, varies from day-to-day and from State to State. Since it is a matter of relationship between the banker and the client, (between R.B.I. and a State Government) information of States which have overdrawn their account with the R.B.I. are not publicised by the Government of India. The responsibility of financial management of State lies with State Governments for which they are accountable to their respective State Legislature.

A statement indicating the Ways and Means Limits fixed by the Reserve Bank of India for each State separately is enclosed as Annexure-I.

(g) and (h). The Planning Commission while deciding the Annual Plan of States also allocates the ceilings of "Negotiated Loans", "Market Borrowings" and "Debentures and Bonds" upto which each State Government can negotiate loans and raise market borrowings to fund its Annual Plan. Market borrowings are floated by the RBI on behalf of State Governments and are linked to SLR (Statutory Liquidity Ratio). A statement showing the statewide amount of Negotiated Loans, SLR-based Market Borrowings and Bonds and Debentures for 1995-96 is enclosed as Annexure-II. This statement covers 19 States whose Plan allocations have been finalised by the Planning Commission.

The State Governments require the consent of the Central Government under Article 293 of the Constitution of India, for borrowings from the market.