

S. No.	MINISTRY/ DEPARTMENT	Total Savings Reported
		(Rs. in crores)
15.	Health	4.68
16.	Family Planning	6.20
17.	Heavy Industry	8.54
18.	Home Affairs	1.40
19.	Industrial Development	8.75
20.	Information and Broad- casting	3.68
21.	Irrigation and Power	23.98
22.	Labour and Employment	0.36
23.	Rehabilitation	2.52
24.	Petroleum and Chemicals	15.62
25.	Shipping & Transport	24.41
26.	Steel	31.72
27.	Mines	9.71
28.	Tourism and Civil Aviation	4.69
29.	Works & Housing	5.30
30.	Science and Technology	2.25
31.	Prime Minister's Secretariat	0.02
32.	President's Secretariat	0.02
33.	Supreme Court	0.01
34.	Planning Commission	0.06
	Total	381.47

Evasion of Taxes by Foreign Banks Operating in India

2682. SHRI JYOTIRMOY BOSU:
Will the Minister of FINANCE be
pleased to state:

(a) whether there are allegations
of evasion of Indian taxes by a
number of foreign banks operating in
this country;

(b) if so, names of those banks;

(c) specific allegations against each
bank;

(d) total amount of taxes alleged
to have been evaded; and

(e) action taken on these allega-
tions?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI K.
R. GANESH): (a) and (b). Only in
the case of National and Grindlays
Bank Ltd., certain complaints of eva-
sion of Indian taxes are under investi-
gation.

(c) The specific complaints against
the National and Grindlays Bank are:

(i) Improper claims of deprecia-
tion in regard to bank's
assets.

(ii) Evasion of income-tax by
pensioners of the bank settled
in U.K.

(iii) Improper valuation of perqui-
sities provided to top officials
of the bank.

(iv) Non-deduction of tax at
source from interest etc. paid
to non-residents.

(v) Improper claims of certain
expenses.

(d) The allegations, some of which
are specific and some others are gene-
ral, state large scale tax evasion by

both the bank and its top officials. It is not possible to quantify the sum total of taxes involved in all these allegations at this stage.

(e) Suitable additions have been made in the assessments of National and Grindlays Bank Ltd. on the basis of information received as well as detailed investigation by the department. For the assessment year 1970-71, the Income-tax Officer disallowed expenditure of Rs. 17.6 lacs paid as technical fees to the First National City Bank, Rs. 75 lacs out of bad debts and over Rs. 6 lacs under section 40 (a)(v) of the Income-tax Act, 1961. Most of these disallowances have been allowed by the Appellate Assistant Commissioner. The matter has been taken in appeal to the Appellate Tribunal. For 1971-72, the following are some of the more important items of additions:

- (a) Excessive head office expenditure Rs 36.2 lacs
- (b) Technical assistance fees paid to First National City Bank Rs. 34.3 lacs
- (c) Bad debts Rs. 4.01 lacs
- (d) Excessive perquisites to employees Rs. 4.03 lacs.
- (e) Interest on over remittance of Head office expenses repatriated subsequently Rs. 3.8 lacs.
- (f) Excessive perquisites in the shape of medical aid to employees Rs. 2.1 lacs.

The assessments of the bank for the assessment years 1967-68 to 1970-71 have been reopened under section 147 of the Income-tax Act, 1961, with a view to assessing the income that has escaped assessment earlier. Investigations relating to these proceedings are in progress.

Raids by Income Tax Authorities in Punjab and Haryana

2683. SHRI JHOTIRMOY BOSU:
Will the Minister of FINANCE be pleased to state:

(a) whether in the first week of July, 1974, the Income Tax authorities raided several places in Punjab and Haryana, and recovered huge amount of black money and three and a half kilogram of gold, diamonds, and jewellery and cash worth several lakhs of rupees,

(b) if so, the facts thereof;

(c) names and addresses of persons involved; and

(d) what follow-up action, if any, is being taken in this connection?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) and (b). As a result of searches made by the Income-tax Department on 3rd and 4th July, 1974 in the cases of persons in Gobindgarh, Bahadurgarh and Chandigarh the following unaccounted assets have so far been seized besides books of account and documents:—

	Rs.
Cash	3,77,658
Gold ornaments	6,78,700 (approx.)
Diamond Jewellery	2,00,000 (approx.)
Fixed Deposit Receipts	1,00,000

(c) A statement is attached.

(d) The seized materials are under scrutiny. In cases where cash and