

any status to the un-authorized occupants.

—
WRITTEN ANSWERS TO QUESTIONS

Palai Central Bank

*534. **Shri D. C. Sharma:** Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 112 on the 17th August, 1963 and state:

(a) the payment made till now to the depositors of the Palai Central Bank; and

(b) the liquidation expenditure incurred up-to-date?

The Minister of Planning (Shri B. R. Bhagat): (a) According to the information received from the Official Liquidator, a sum of Rs. 486.04 lakhs (including Rs. 22.99 lakhs remitted to the companies liquidation account) was paid to the depositors of the Palai Central Bank upto the 31st October, 1963.

(b) The expenditure incurred upto 31st October, 1963, amounted to Rs. 13.66 lakhs.

Recovery of Income Tax

*538. **Shri Yajnik:** Will the Minister of Finance be pleased to state:

(a) the estimated percentage rate of failure in recovery of income-tax due to mal-practices and other evasive tactics adopted by the assessee; and

(b) the measures that Government propose to take to counter these evasive tactics and recover the full amount of income-tax assessable according to Law?

The Deputy Minister in the Ministry of Finance (Shrimati Tarkeshwari Sinha): (a) Government regrets that it is not possible to make such an estimate.

(b) A number of special circles and central circles have been created to deal specifically with cases of tax evasion. The problem of tax evasion was examined in detail by the Direct

Taxes Administration Enquiry Committee appointed by the Government in 1958. The legislative measures recommended by the Committee have been incorporated in the Income Tax Act, 1961 which has come into force from 1st April, 1962.

Finance Commission

*540. **Shri Dinen Bhattacharya:** Will the Minister of Finance be pleased to state:

(a) whether Government propose to appoint another Finance Commission; and

(b) if so, when it is likely to be set up?

The Minister of Planning (Shri B. R. Bhagat): (a) Yes Sir.

(b) The period covered by the recommendations of the Third Finance Commission is due to expire at the end of 1965-66. Accordingly, the fourth Finance Commission will have to be constituted in time for its recommendations to become available for regulating the provisions to be made in the Budget for 1966-67.

Search in a Foreign Insurance Co., Bombay

*541. { **Shri Nath Pai:**
Shri D. D. Mantri:

Will the Minister of Finance be pleased to state:

(a) whether the office of a Foreign Insurance Company was searched by the Directorate of Enforcement in Bombay;

(b) the reason for this search;

(c) whether anything incriminating was discovered; and

(d) the action, if any, proposed to be taken against any person or persons?

The Minister of Finance (Shri T. T. Krishnamachari): (a) to (d). Yes, Sir. The search was conducted, as the Enforcement Directorate had reason to