

Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 4868 on the 22nd December, 1969 and state :

(a) whether Government have taken any decision on the proposal to appoint a committee of experts to examine the question of improving tax collection, recovery of arrears and to look into the cases of tax evasion and black money;

(b) if so, the names of the members of the expert committee and its terms of reference;

(c) whether Government have any indicators on the basis of which the extent of tax evasion and existence of black money can be roughly estimated; and

(d) if so, the nature of indicators and the rough estimates available with Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) and (b). A Committee of Experts has been appointed to examine and suggest legal and administrative measures for countering evasion and avoidance of direct taxes. The composition of the Committee is as under :—

1. Shri Justice K. N. Wanchoo, ... Chairman
Retired Chief Justice of the
Supreme Court of India.
2. Shri M.P. Chitale, Hamam ... Member
House, Hamam Street,
Bombay-1.
3. Shri S. Prakash Chopra, ... Member
Chartered Accountant, 1,
Prithviraj Road, New Delhi.
4. Shri P. C. Padhi, former ... Member
Member, C.B.R. and Addi-
tional Deputy Comptroller
and Auditor, General.
5. Shri D. K. Rangnekar, ... Member
Economist and Editor, Eco-
nomic Times, Bombay.

The Committee will :

(a) recommend concrete and effective measures.

(i) to unearth black money and prevent its proliferation through further evasion.

(ii) to check avoidance of tax through various legal devices including the formation of trusts, and

(iii) to reduce tax arrears.

(b) examine various exemptions allowed by the Tax laws with a view to their modification, curtailment or withdrawal.

(c) indicate the manner in which tax assessment and administration may be improved for giving effect to all its recommendations.

(c) There are no precise indicators to measure the extent of black money through different persons have been giving varying estimates from time to time.

(d) Does not arise.

Visit by West German Delegation of businessmen and financiers

15. SHRI NARAYANAN ;
SHRI SAMINATHAN ;
SHRI DHANDAPANI ;
SHRI N. R. LASKAR ;
SHRI MAYAVAN ;
SHRI JYOTIRMOY BASU ;
SHRI SHIV KUMAR SHASTRI ;
SHRI ATAM DAS ;
SHRI CHENGALRAYA NAIDU ;

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a 12 member West German delegation of businessmen and financiers visited India during January, 1970 ;

(b) if so, whether the delegation had a number of discussions with the Indian businessmen and bankers; and

(c) if so, the results achieved thereby?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) and (b). Yes, Sir.

(c) The main purpose of the visit was to enable the members of the Delegation who are important representatives of Industry and Finance in West Germany, to see for themselves the general economic development in India and the potentialities by way of German investment in industry. The Delegation is expected to make an appropriate report of its impressions to the authorities concerned in Germany.

India's Foreign Exchange Reserves

16. **SHRI SAMINATHAN ;
SHRI NARAYANAN ;
SHRI DHANDAPANI ;
SHRI N. R. LASKAR ;
SHRI MAYAVAN ;
SHRI CHENGALRAYA NAIDU ;**

Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that India has added Rs. 97.5 crores to her foreign exchange reserves for the year 1969-70 ;

(b) if so, to what extent India is likely to use international reserves assets for meeting the balance of payment deficits ; and

(c) the total amount India has to contribute towards the International Monetary Fund's quota which has been raised from \$750 million to \$940 million ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI) : (a) Presumably the Honourable Members are referring to Special Drawing Rights (SDRs) allocated by the International

Monetary Fund for the first year of the 3-year basic period commencing from 1st January, 1970. Under these arrangements, the amount actually allocated to India for 1970 is Rs. 94.5 crores (\$126 million).

(b) Over the basic period of three years, such use will be limited to 70% of the total SDRs allocated during the period. Within this limit, India is free to use these newly-acquired international reserve assets for meeting balance of payments deficits. The extent to which these reserves will be used will depend on the overall balance of payments and foreign exchange reserves position from time to time.

(c) Consequent on the increase in India's quota by \$190 million to \$940 million, additional subscription is to be paid, partly in gold, and partly in Indian currency. Of this, 25% or the equivalent of \$47.5 million (Rs. 35.63 crores) will be paid in gold and the remainder, that is, \$142.5 million (Rs. 106.87 crores) will be paid in Indian rupees in the form of non-negotiable, non-interest bearing rupee securities.

Reduction in Price of Imported Crude Oil by Foreign Oil Companies

17. **SHRI NARAYANAN ;
SHRI BANSH NARAIN SINGH ;
SHRI H. AJMAL KHAN ;
SHRI C. MUTHUSAMI ;
SHRI D. N. DEB ;
SHRI SHIVA CHANDHRA JHA ;
SHRI SAMINATHAN ;
SHRI N. SHIVAPPA ;
SHRI RAM SINGH AYARWAL ;
SHRI S. M. BANERJEE ;
SHRI KANWAR LAL GUPTA ;
SHRI P. VISWAMBHARAN ;
SHRI DHANDAPANI ;
SHRI MADHU LIMAYE ;
SHRI K. P. SINGH DEO ;
SHRI JYOTIRMOY BASU ;
SHRI N. R. LASKAR ;
SHRI MAYAVAN ;
SHRI PRAKASH VIR SHASTRI ;
SHRI GANESH GHOSH ;
SHRI RAM SWARUP
VIDYARTHI ;**