

LOK SABHA DEBATES

2

LOK SABHA

Friday, December 5, 1986/ Agrahayana 14,
1908 (Saka)

*The Lok Sabha met at Eleven of the
Clock.*

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[English]

Raids to Unearth Black Money

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*468. SHRI VAKKOM PURUSHO-
THAMAN :

SHRI SRIBALLAV PANIGRAHI :

Will the Minister of FINANCE be
pleased to state :

(a) the total black money unearthed in
raids conducted during 1985-86 and the
current financial year ; and

(b) the number of raids conducted during
this period ?

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI
JANARDHANA POOJARY) : (a) and (b)
The Income-tax Department had conducted
6431 searches in the financial year 1985-86

and 4054 searches during the current financial
year upto 31.10.86. These have resulted in
the seizure of *prima facie* unaccounted
assets worth approximately Rs. 50.32 crores
and Rs. 56.52 crores in the financial year
1985-86 and the current financial year upto
31.10.86 respectively.

SHRI VAKKOM PURUSHOTHAMAN:
I congratulate the Finance Ministry on their
conducting large scale raids in the country to
unearth the black money, even though our
Ministers are subjected to unnecessary and
baseless criticisms due to these raids. Sir, if
the unaccounted money seized during 1985-86
was only Rs. 50.32 crores, during a period
of seven months in the current year, the
Government could seize Rs. 56.52 crores.
That shows the keen interest in unearthing
the black-money. But there is a criticism
that these cases are not decided in time and
it takes a long time to finalise the cases. It
sometimes helps the people to escape from
these cases also. So, I would like to know
whether there is any time schedule prescribed
for the disposal of these cases, if not, whet-
her the Government will take steps for the
speedy disposal of these cases.

SHRI JANARDHANA POOJARY :
Sir, it is true that time is taken for assess-
ment. When searches are done, we are
seizing the document and the seizure of the
document discloses more documents and
multiplication. What happens is that some-
times when we are seizing the documents in
one premises of one particular business
people, we will be getting evidence to show
that some other people are also connected
with it. So, I share the concern of the
Hon. Member that we should expedite it,

Action has been taken to expedite the completion of the presecution and also to complete the assessment.

I may tell the Hon. Member how many prosecutions have been launched. In the year 1981-82 only 475 presecution have been launched. But in the year 1985-86 it has gone up to 4079 cases. That means we are expediting and more efforts have been made to complete the assessment and also to complete the prosecution.

SHRI VAKKOM PURUSHOTHAMAN: May I know from the Hon. Minister through you Sir, the criteria for selecting these persons for these raids? Because I think that it is better to publish the norms under which the raids on places or institutions or persons are conducted, for the information of the public. Even in villages some persons become rich all of a sudden without any known source of income. If the people are aware that under such and such circumstances these people can be raided, I think it will be helpful for the Government also to get the address of these people who have black-money.

SHRI JANARDHANA POOJARY : It is true that we should not conduct raids indiscriminately. Sir, we have got about 50 lakh assesseees in this country and out of that searches have been conducted only in 6431 cases in 1985-86 and upto 31st October, 1986 we have made searches in about 4000 cases. Without definite information we do not conduct any searches and the searches are done in pursuance of the search warrant issued by no less an officer than Commissioner of Income Tax or Directorate of Inspection. Unless there is definite information we do not do that.

Further, Sir, we have not received any complaint of harassment.

SHRI VAKKOM PURUSHOTHAMAN: I have not said about harassment. My question is about the criteria followed for searches and the same should be made public.

SHRI JANARDHANA POOJARY : The complaints are there against the banking sector and not the Income Tax officers.

Sir, we have issued ground rules and there are also clear guidelines and rules. Even the Income Tax Act also clearly states in which cases we have to conduct raids. We have already issued ground rules. If the hon. Member requires those rules to be furnished to him I will definitely do that.

SHRI SRIBALLAV PANIGRAHI : Sir, the performance of this Ministry in this area of unearthing black-money is commendable and it is hoped that the Finance Ministry would continue this crusade against the black-money and black-marketeers. I would like to know whether any target was fixed for this period in respect of number of raids and also in terms of money and how does the performance compares with the target fixed?

Secondly I would like to have the break-up of these raids. How many of them relate to people of different categories, viz., industrialists, professionals, Government employees, etc.

SHRI JANARDHANA POOJARY : I want to make it clear to the nation that it is not the intention of the Government to make indiscriminate searches. We have told the officers only when there is definite information about un-accounted money and concealment then only searches should be conducted. There is no unnecessary harassment to the people of this country and this commitment we are giving to the nation both inside Parliament and outside Parliament. As regards the target no target is fixed and it cannot be fixed also.

MR. SPEAKER : There cannot be any target for this.

SHRI SRIBALLAV PANIGRAHI : What is the breack-up of these raids. How many of them relate to industrialists, Government employees, etc.

SHRI JANARDHANA POOJARY : I want a separate notice for this.

SHRI PIYUS TIRAKY : Sir, there is report of parallel economy and it is said black-money to the tune of Rs. 99,000 crores is under circulation in this county. I would

like to know how much black-money is under circulation. Perhaps, the Government may not be aware of this. Can the Government tell the House about the accumulation of black-money and the preventive measures taken to avoid such unpleasant action of raiding and harassment? Sometimes after conducting the raids they do not get anything. What are the preventive measures that the Government is taking to see that the black money does not get accumulated with anybody?

SHRI JANARDHANA POOJARY : It is true that no official estimation of the black money in circulation has been done and it cannot be done also. It is not at all possible. The fact that there is unaccounted black money in the country cannot be disputed at all. If somebody tries to estimate the extent of black money, or even if I try to do it, I will be considered as a fool. I can only perhaps say what black money was found in the possession of a particular gentlemen.

As the hon. Member made a point, we have to take all the steps and we are taking steps to curb the black money and mop it up.....(*Interruptions*). The hon. Members are also aware of the fact that the Government has been taking steps to mop up the black money.

MR. SPEAKER : These raids are also one of such steps.

SHRI PIYUS TIRAKY : We do not know how much black money is there.

MR. SPEAKER : It is a vague question.

SHRI DINESH GOSWAMI : A number of Committees went into this question and they gave some estimate of the amount of black money. The Minister can give that to us.

SHRI JANARDHANA POOJARY : Some organization have made an estimate of black money and we have stated that also before the Parliament, but we do not agree with that.

SHRI C. MADHAV REDDI : In respect of certain categories such as the businessmen and industrialists, apart from the prosecutions and notwithstanding the result of the prosecution, may I know whether the Government are taking steps to see that they are blacklisted for purposes of obtaining bank credit and other facilities from the financial institutions?

SHRI JANARDHANA POOJARY : We have identified such companies who are in arrears of income tax, customs and excise duties to the extent of Rs. five crores and we are not considering them for modernization, expansion as also giving licences for further expansion in the form of more companies. We consider this as a disqualification and we are not giving any preferential treatment to such people.

SHRI ANIL BASU : How many raids have been conducted in the premises of income tax, customs and other revenue officials and how much black money has been unearthed during such raids and what punishment has been given to them.

MR. SPEAKER : It has already been answered.

SHRI JANARDHANA POOJARY : We have conducted some raids and taken the required action. Some of these people have been sent home also and on seeing threat of being taken action against them, some of them have left the organisation also. The figure relating to the actual amount seized is not available. I will, however, furnish it to the hon. Member.

Opening of Regional Rural Banks in Tamil Nadu

*471. **SHRI-N. DENNIS :** Will the Minister of FINANCE be pleased to state :

(a) whether there is a proposal under consideration of Government to open Regional Rural Banks in Tamil Nadu ;

(b) if so, the places where such banks would be opened ; and