

result of this, actually the trade deficit has been reduced. This is very comparable to the extent of 1986-87. We were able to exceed the target of exports and this trend is continuing. I am sure the members will congratulate the government for this splendid performance.

PROF. MADHU DANDAVATE: We will wait for the budget figures.

SHRI E. AYYAPU REDDY: Is it a fact that the foreign exchange rate of the rupee has been steadily going down as against the dollar, as against the pound, as against the yen for the last four years? If the foreign exchange rate of the rupee is going down, what are the efforts made by the Government of India to stabilise the rupee with regard to foreign exchange rate especially of these four countries? What are the steps taken to reduce the trade deficit? As a matter of fact, we have been hearing that the trade deficit is going up and not coming down. It only depended upon a few items like jewellery, gems and other things. With regard to engineering goods and capital goods, we have not been at all making any improvement in our foreign exchange and in our export trade. As compared to Singapore and Malaysia, we have not been doing very well at all. So, what are the steps that will be taken to stabilise foreign exchange rate of the rupee?

SHRI NARAYAN DATT TIWARI: It is very difficult for a particular country to maintain exchange rate when the foreign exchange rate of other countries is itself volatile. When the dollar itself is falling continuously and going up and down and all currencies are going up down; if they are volatile, they will adjust exchange rates there in their currencies. It is not just one country's affair; it is because of the volatility of rates of other countries that it also affects us. Therefore, I think it is not as if we ourselves are doing some adjustment; it is because of the urgency of the situation as such; and in a fluid international monetary situation, any revision in the rate of the rupee is an integral part of the process of adjustment; it does not signify any intrinsic weakness or otherwise in the value of the

rupee or for that matter the economy as a whole.

SHRI E. AYYAPU REDDY: The foreign exchange value of the rupee has been going down for the last four years.

MR. SPEAKER: Please sit down.

SHRI THAMPAN THOMAS: It is ascertained that there is no proposal to devalue the rupee. But I would like to know from the hon. Minister, in terms of rupee in 1947 and in terms of rupee in 1960, what is the value of the rupee today because it is reported that one paisa in 1947 is equal to one rupee today and ten paise in 1960 are equal to one rupee today.

SHRI MURLI DEORA: You are talking of purchasing power. This is not the foreign exchange market.

(Interruptions)

SHRI NARAYAN DATT TIWARI: It is internal, not external.

PROF. MADHU DANDAVATE: After the budget it will go down further.

Drive Against Income Tax Evasion

*64. SHRI BALASAHEB VIKHE PATIL:
DR. CHANDRA SHEKHAR
TRIPATHI:

Will the Minister of FINANCE be pleased to state:

(a) the concrete results achieved out of the drive conducted against income tax evasion during the last year; and

(b) whether any special instructions have been issued to the Income Tax authorities in regard to the methods and procedures to be followed by them to make anti tax evasion drive more effective?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) and (b). A statement is given below.

STATEMENT

(a) The details of the results achieved during 1986-87 along with comparative figures of the preceding year and that of the current year are as under:-

Financial year	No. of searches	Value of prima-facie	Amount of concealed	No. of new assessesees	No. of
	conducted	unaccounted	income		discovered
tion orders received in			surrender-assets seized		prosecution cases (Rs.in crores)
1985-86	6431	50.32	--	1,05,688	70
1986-87	7054	100.70	36.85*	6,66,563	66
1.4.87 to 31.1.88	6915	102.60	74.19	4,09,453	51

* The explanation to Section 271 (1) (c) was amended w.e.f. 10.9.1986 to concealed income in the course of the search operations.

(b) Instructions with regard to conducting of searches and surveys and processing of prosecution cases are issued from time to time for ensuring smooth conduct of operations.

11.26 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

[*Translation*]

SHRI BALASAHEB VIKHE PATIL: Mr. Speaker, Sir, on going through the statement, it is found that a very small amount has been seized by the Government in the raids during the past three years and the amount seized during 1985-86 is nil. The Government seized Rs. 36 crores during 1986-87 and Rs. 74 crores in 1987-88 through these raids. Going by the total quantum of black money which has been put at approximately Rs. 40,000 crores, may I know why this amount is so small? Do not you get more amount in the seizures or is there something wrong with the raids or is there any lacuna in the law? I would like to know from the hon. Minister as to what steps are being taken by the Government in order to increase this amount further?

[*English*]

SHRI A.K. PANJA: The hon. Member must have seen that this is on account of concealed income surrendered. This provision was not in the Act. this came with effect from the 10th September, 1986--that is, Section 271(1)(c). When this provision came under operator we applied that law and therefore in 1986-87 Rs. 36.85 crores were surrendered in course of searches. In 1987-88 up to the 31st January the amount is given, that is Rs. 74 crores and 19 lakhs

SHRI BALASAHEB VIKHE PATIL: Already, I have repeated that. I want to understand why the number of searches is so huge and the black market circulating due to evasion of taxes is so high, then why is the amount so less compared to the number of searches? I want to understand that.

SHRI A.K. PANJA: These are surrendered by the assesseees themselves where search has taken place, not that these are the amounts which will be recovered ultimately. This now provision came in that when the officers go for searches, if they surrender on their own, these are the amounts shown. This provision came in 1986 and that is why those figures are

given. That is not the total amount which has been recovered.

SHRI BALASAHEB VIKHE PATIL: If these are the surrendered amounts, is the Government prosecuting them or will they allow them to go, or will they not come under any law? Secondly, already you have investigated and some cases about income-tax evaders were found. The number has gone from one lakh to four lakhs in three years, -- the figures given are one lakh, 6,66,000 and 4,09,000 -- but how many cases are being prosecuted? How much money is likely to come due to recovery of taxes in these cases? How many big houses have come under this raid and what is the amount recovered or surrendered by them?

SHRI A.K. PANJA: So far as the first question is concerned, regarding the amount that is coming from one lakh to four lakh assessees, due to the surveys new assessees were discovered. That is why it was in 1985-86 a little over one lakh which rose to 6,66,000 in 1986-87. Because of the new drive given at that time, because of the amnesty given people used to come forward voluntarily. Two policies are adopted by the Government. One is, to let the people come forward voluntarily to become assessees and to voluntarily disclose. Second policy is a deterrent one. If they do not do so then the law is enforced strictly against them. So far as those who surrender, it is not that action is not taken against them. If they voluntarily surrender, as some have already done, then some concession is given to them, because we want to ask the people to participate in payment of tax on their own.

So far as prosecution is concerned, I have got the figures. The number of prosecutions launched in 1984-85 was 2111 number of cases decided--115; number of cases convinced--58; number of cases acquitted--34; and number of cases compounded--23. In 1986-87, the number of cases prosecutions launched 5,258; number of cases decided--202; number of cases of which conviction obtained 66 number of cases acquitted--63 and number of cases compounded--73. Therefore, it is not cor-

rect to say that the number is going down.

DR. CHANDRA SHEKHAR TRIPATHI: Mr. Deputy-Speaker Sir, the hon. Minister in his reply has stated that the year-wise the value of *prima facie* unaccounted assets seized has gone up. He has not disclosed the number of persons with whom the unaccounted assets were seized and against how many persons, prosecutions were launched and with whom they dealt? The Minister has also stated just now that the number of prosecutions has gone up from year to year. But the number of conviction orders passed has gone down. It indicates that the raids which conducted by the authorities were not conducted as per the norms. I would like to know the reasons why the conviction orders are being passed by the competent courts in lesser cases; whether there is any anomaly or lacuna in the prevailing rules and whether the Minister is going to plug the loophole or not.

SHRI A.K. PANJA: There is no anomaly or lacuna so far as the present law is concerned. If the hon. Member looks at the figures I have given, he will find all the cases of which prosecutions were launched, in a particular year were not disposed of in the same year. There are difficulties of courts disposing of those cases and we have given the particular year in which prosecutions were launched. For example, 5,258 cases were launched in 1986-87 and out of those only 202 cases were decided. If the cases are going to be decided in future, the number will increase. Until all cases are disposed of, it is not correct to say, that it is because of any lacuna. I have already stated that how many prosecutions were launched. So far as the number of new assessees and number of seizures are concerned, I have got the figures. I have given the number of seizures in the figures. But the number of persons comes from the number of searches taking place, that is, unit-wise but in the number of prosecutions, i.e. the actual number of people are not being given.

SHRI INDRAJIT GUPTA. Sir, the hon. Minister has given us a large number of statistics relating to this problem. I would

request him to give us one more figure,... that is, what is the latest figure for the total amount of income-tax arrears..which have accumulated. Secondly, is it a fact that in the instructions or guidelines which have been issued regarding searches, it has been laid down that the searches should be confined only to the office premises of these people and not to their domestic houses or residences. This was stated here, I think during the budget discussions year before last, when there was a big hullabaloo by many big houses that their people are being harassed by searches by taking place in their residences and houses. It was decided that henceforth the searches would be confined only to the business premises and office premises of such people and not to their houses. Is it still continuing or not? If so, is it not leaving an obvious loophole? Secondly, will these people be let off from prosecution if they are prepared to express regret as some people have done? I do not want to name them. Everybody knows those cases of big business house people, who expressed regret and said that the evasion was not done deliberately but it was due to some mistake in the accounting or something like that and they gave an assurance that it will not happen again. If somebody does that, is he going to be relieved of the liability of being prosecuted? I want to know if that is also one of the guidelines or instructions which is being followed.

SHRI A.K. PANJA: To take the last point first, there is no provision that just by giving regret they will be relieved of their responsibility.

SHRI INDRAJIT GUPTA: It is not a provision in the law; I understand that.

SHRI A.K. PANJA: Not otherwise also. If they point out any mistake and after scrutiny that mistake is found, we correct it. But mere regret, whether it is in law or convention, does not relieve him from paying the tax. The second thing is that there is no provision that the residences will not be searched. This is continuing. I do not know from where the Member got this information. In fact, we are taking caution for the purpose of going inside the

residential premises. Until we cross check and there is some percentage of certainty, we do not want to do so. By adopting two-pronged policy i.e. asking the people to come voluntarily and an also taking deterrent measures, you will be pleased to know that the value of a particular seizure per search has gone up to Rs. 1.48 lakhs from Rs. 55,000 a few years ago. Therefore, we are getting certainty. We have opened a research cell and also information cell so that there is cross-checking.

So far as the first question is concerned about the total amount of arrears accumulated, the figures are not with me.

Seizure of Photographic Goods

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*65. SHRI SAIFUDDIN CHOWDHARY:
SHRI AJOY BISWAS:

Will the Minister of FINANCE be pleased to state:--

(a) whether in December, 1987/January, 1988 officials of the Customs Collectorate, Delhi seized cameras and other photographic goods of foreign origin worth lakhs of rupees in Delhi;

(b) if so, the details thereof; and

(c) the action taken by Government in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A. K. PANJA): (a) During December, 1987 and January, 1988, the officials of the Customs Collectorate, Delhi, seized cameras and other photographic goods of foreign origin collectively valued at Rs. 7.85 lakhs.

(b) and (c). On 31st December, 1987, and 1st January, 1988, the Officers of Delhi Customs Collectorate searched the business premises of M/s Patel Roadways (Private) Ltd. 90-New Lajpat Rai Market, Delhi M/s Agarwal Brothers at 17/30 Kucha Chaudhary, Chandni Chowk, Delhi and M/s Agarwal Photosales at 17/16, Kucha Chaudhary, Chandni Chowk, Delhi,