

overdraft from the Reserve Bank during the last six months or even before, and if not, how is it that States which do not get such a facility or ask for such a facility from the Reserve Bank are not properly helped in terms of financial assistance when they are hit by drought or scarcity?

SHRI C SUBRAMANIAM Gujarat Government are more sensible and they are not the one to ask for an overdraft from the Reserve Bank as such. Whenever there are difficulties with regard to ways and means position because of certain natural calamities, they come to the Central Government for assistance and the Central Government provides them assistance. Gujarat Government has got assistance and that is why they were able to carry on the relief operations when they were afflicted with large-scale drought.

SHRI P G MAVALANKAR Is it not a fact that the Government of India are not assisting such sensible State Governments which do not ask for overdrafts? Why don't you help them?

SHRI C SUBRAMANIAM The hon member would not recommend to the Gujarat Government to ask for overdraft from the Reserve Bank. I hope because it would be straightway refused. They have asked for assistance and we have given assistance.

श्री मूलचन्द डागा: सवाल यह है कि राजस्थान में 19 हजार गांव अकाल से प्रभावित हुये हैं और वहां की हालत बहुत खराब है। रिजर्व बैंक सरकार द्वारा नहीं देना है। इसलिये क्या नहीं आप उसको पैसा देते हैं। राजस्थान के पास पैसा नहीं है और लोग भूखी मर रहे हैं।

SHRI C SUBRAMANIAM It is the policy of the Government not to allow overdrafts. If overdrafts is indulged in, we give notice to the State Government concerned that further

honouring of their cheques would be stopped. Therefore, I am not able to understand the plea made here that the State Governments should be allowed to have overdrafts from the Reserve Bank. Certainly that is not the way of financing.

MR. SPEAKER Question Hour is over.

SOME HON MEMBERS There is still one minute.

MR. SPEAKER There is another watch here on my table. I go by that.

WRITTEN ANSWERS TO QUESTIONS

Raid by Income-tax Authorities in Bombay

*65 **SHRIMATI PARVATHI KRISHNAN**

Will the Minister of FINANCE be pleased to state

(a) whether the Income-tax authorities in Bombay raided the residential premises, offices, godowns, factory and lockers of a leading chemical trader on the 7th January, 1975,

(b) if so, the particulars thereof; and

(c) further action being taken against the trader?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE) (a) and (b) The Income Tax authorities in Bombay conducted search and seizure operations on 7th January 1975 and the following days in the case of Shri K. L. Dalal, proprietor of M/s Rainbow Products, Bombay (a firm dealing in dyes and chemicals) and connected cases.

The following premises were searched:

- (i) Office premises of M/s. Rainbow Products, Industrial Assurance Building, Churchgate,
- (ii) Residence of Shri K. L. Dalal Shashidhar, Bhulabhai Desai Road,
- (iii) Godown near Nair Hospital.
- (iv) Two lockers in United Commercial Bank, Warde_n Road.
- (v) Office and factory premises of M/s. Industrial Tube Containers Manufacturing Company at Churchgate and Mahim respectively.
- (vi) Office premises of M/s. Mahara_nja Exports Pvt. Ltd. in Industrial Assurance Building, Churchgate and in Dream Land Building, Roxy Cinema.

Besides books of account and documents, the following assets were seized.

- (i) Cash Rs. 53,500.
- (ii) Jewellery valued at Rs 24,000 approx.

The godown containing substantial quantity of stock of chemicals and Aluminium sheets and strips was sealed.

(c) The valuation of the stocks is being done.

Proceedings under section 132(5) of the Income-Tax Act 1961 for estimating the undisclosed income in a summary manner in order to determine the portion of seized assets to be retained to satisfy the amount of tax calculated thereon and any existing liability under the various Direct Tax Acts have been initiated.

Steps taken to Improve India's Economy

*66. SHRI P. M. MEHTA:
MEHTA:

SHRI R. V. SWAMINATHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government had made an assessment of the resources which would be available for the current year;

(b) if so, the total assessment of resources;

(c) whether assessment of the performance on the economic front has also been done; and

(d) to what extent the task of arresting the increase in prices has been achieved and the main features of the policy being undertaken to put the economy on sound footing?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a) to (d). Government periodically assesses the availability of resources in relation to the plan and non-plan expenditures provided for in the Annual budget and accordingly modifies its fiscal and monetary policies in the light of emerging economic situation.

It is in the light of such assessment that the Government had to present a supplementary budget in July, 1974. Similarly, the Railways, to contain their growing deficit, also raised their fares and freight in August, 1974. Together with the measures taken in February, 1974 to raise additional resources, it is estimated that the total resources effort of the Central Government, including those of its departmental undertaking, during the current year would amount to Rs. 690 crores. In the case of the State Governments also it is estimated that their additional resources mobilisation effort would aggregate Rs. 358 crores in 1974-75. All in all, therefore, the Central and the State Governments would have raised a total amount of