

other tax experts, and the last Committee the Direct Taxes Enquiry Committee, whose report has been recently submitted to the Government and a copy of which has been placed on the Table of the House, have estimated the income on which tax was evaded in the year 1968-69 at Rs. 1,400 crores, i.e., the income on which tax had been evaded; the tax, of course, will be less than that.

श्री हुकम चन्द कछवाय : नोटों के बारे में कोई उत्तर नहीं दिया गया। वह काले धन को बाहर लाने में बड़ा सहायक हो सकता है। क्या 100 और 1000 रु० के नोटों को बन्द करने का सरकार का विचार है ?

SHRI K. R. GANESH : There is no such proposal.

श्री हुकम चन्द कछवाय : क्या सरकार को इस बात की जानकारी है कि बम्बई में कितने फिल्म ऐक्टर्स के पास प्राइवेट लाकर हैं ? कहा यह जाता है कि काफी लोगों के पास लाकर है और उनमें वह लोग जेवर आदि नहीं रखते बल्कि काला धन रखते हैं। क्या सरकार इसकी जाँच करने के लिये तैयार है तथा जो इस प्रकार काले धन का व्यापार करते हैं उनके धन पकड़ने के बाद उनके लिये कोई सजा निर्धारित की गई है ?

SHRI K. R. GANESH : The first information is very relevant to our Department. We will ask our Department to find out about the information supplied by the hon. Member.

As far as the second question is concerned, about prosecutions, recently the Direct Taxes Board has started prosecutions. We are not agreeing to compounding all the various evasions and concealments; cases have come; many cases are before courts of law.

SHRI HARI KISHORE SINGH : The Finance Minister has admitted that the black-marketeers are running a parallel

economy in this country. That means, Government is in a position to find out how much money is there in the black market. What does Government propose to do to prevent it if they are running a parallel economy.

अध्यक्ष महोदय : इसका ही तो जबाब उन्होंने दिया है।

SHRI FATESINGHRAO GAEKWAD : I am happy to hear that attempts have been made by Government to assess the amount of black money in circulation. I would like to know what are the main bases on which this estimate has been arrived at.

SHRI K. R. GANESH : These estimates have been arrived at by committees, and the last committee was the Wanchoo Committee whose report has been placed on the Table of the House.

SHRI FATESINGHRAO GAEKWAD : How did arrive at this ?

SHRI K. R. GANESH : That means studying the whole working of this parallel economy.

SHRI JYOTIRMOY BOSU : My question is a very brief one. How many reports or recommendations on the issue have been received during the last two years ? (*Interruptions*).

MR. SPEAKER : He has no information. The Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Interest Rate in Life Insurance Corporation

*142. **SHRI ARJUN SETHI :** Will the Minister of FINANCE be pleased to state :

(a) whether the cost of operations or expense ratio of Life Insurance Corporation

has gone high as a result of which the interest rate had to be increased from $6\frac{1}{4}$ per cent to 7 per cent; and

(b) how much money has been spent during 1969-70 and 1970-71 towards over-time payment ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) : (a) A statement is laid on the Table of the House.

(b) The Corporation sanctioned over-time payments of Rs. 56.53 lakhs and Rs. 70.36 lakhs respectively in the years 1969-70 and 1970-71.

Statement

(a) It is presumed that the Honourable Member refers to the increase in the rate of interest charged on loans granted on the security of life insurance policies.

The rate of interest has been increased from 6% to $7\frac{1}{2}$ % from July, 1970. The lower rate will continue to be charged unless an additional loan is taken under the same policy. The reasons are :

- (i) Yields on other investments have risen lately; for example, first class debentures yield over 9%, shares between 9% and 12% and bank deposits 7%. Further, banks which grant loans against insurance policies charge between 9% and $10\frac{1}{2}$ %.
- (ii) The effective rate of interest realised on policy loans, that is, the rate after allowing for office expenses, is being eroded by rising costs of servicing the loans.
- (iii) Therefore, to the extent the effective interest realised falls short of what might have been earned had the money been invested otherwise, a benefit is secured by policy-holders who raise loans at the expense of

those who do not. This militates against equity.

- (iv) The L. I. C. feels that it is the wealthier policy-holders who resort to these loans now, not because money is needed by them but merely for investing the money at higher rates of interest.

Loans given to entrepreneurs in Tamil Nadu for Construction of Tourist Hotels

*143. SHRI E. R. KRISHNAN : Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) the amount of loans given so far by India Tourism Development Corporation to entrepreneurs in Tamil Nadu for the construction of Tourist Hotels during the last three years; and

(b) the names of places where such hotels are being constructed ?

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH) : (a) and (b). Loans for construction of Tourist Hotels are given by the Department of Tourism and not by the India Tourism Development Corporation. Loans to the tune of Rs. 2.25 crores have been approved for five projects at Madras, and will be disbursed in instalments after the companies complete the legal and other requirements.

Committee on Self Removal Procedure in Central Excise

*144. SHRI C. CHITTIBABU : Will the Minister of FINANCE be pleased to state :

(a) whether there has been delay in submission of the Report of the Committee appointed by Government in October, 1971 to review the Self Removal Procedure (SRP) in Central Excise;

(b) when the Committee is likely to finish its work and submit its report; and