

LOK SABHA DEBATES

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LOK SABHA

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Friday, February 24, 1978/Phalguna
5, 1899 (Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Examination of declarations of Ten- derers of High Currency Notes

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*62. SHRI S. D. SOMASUN-
DARAM:

SHRI C. K. CHANDRAPPAN:

Will the Minister of FINANCE be
pleased to state:

(a) the first results of the examina-
tion of the declarations of persons
who tendered high currency notes as
a result of demonetisation;

(b) the number of declarations
which *prima facie* have shown un-
accounted money and the action taken
thereon; and

(c) the positive evidence of salutary
effect of demonetisation on the econo-
my of the country?

THE MINISTER OF FINANCE
(SHRI H. M. PATEL): (a) and (b).
The scrutiny of the declarations is
still in progress. Evidence gathered so
far indicates substantial evasion of tax
in a number of cases. Further en-
quiries are being made. Appropriate
action will be taken to bring unac-
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counted income to tax. Penal pro-
ceedings will also be initiated where-
ver warranted.

(c) The impact of the measure of de-
monetisation of high denomination
notes on the economy of the country,
is being studied.

SHRI O. V. ALAGESAN: Sir, there
are several questions on this subject.
If you take all of them together, it
would be better.

MR. SPEAKER: No, no. It will give
opportunity for..... (Interruptions).
I thought of it. But then there will
be some difficulty.

SHRI S. D. SOMASUNDARAM: In
the written reply, it is stated that evi-
dence gathered so far indicates sub-
stantial evasion of tax in a number of
cases. But I want to know the quan-
tum of tax evasion and also the num-
ber of such cases. Will the hon.
Minister be pleased to give a few
names and also the approximate
amount of evasion?

SHRI H. M. PATEL: Sir, this is
still under investigation and it would
not be proper to my mind to mention
names.

SHRI S. D. SOMASUNDARAM: The
hon. Minister could give a few names.

MR. SPEAKER: He cannot give the
names now because it is already under
investigation.

SHRI H. M. PATEL: At least quite
a few cases are there in which we
have thought it necessary to go into.
Immediately it cannot be said that the
case against them has been establish-
ed; it is a matter of suspicion that
these are cases where there might have
been evasion. It is not as if the fact

has been established. I would urge that at this stage to make me say who are the persons whose things you are suspecting would not be proper.

SHRI S. D. SOMASUNDARAM: The matter has been leaked out sufficiently in advance according to some newspaper reports that some rich persons had transferred their thousand rupee notes and five thousand rupee notes into hundred rupee notes and nobody from the Government had denied the veracity of those reports. Secondly, have Government any proposal to devalue 100 rupee notes?

MR. SPEAKER: Even if they have, will they tell you now?

SHRI H. M. PATEL: The answer to the second part is definitely that the government have no such proposal. As regards the first part, there has been no leakage of information about this, as far as I know. I do not think that it was known; as far as I can say, indeed I am fairly certain about it that there has been no leakage of information at all. It came completely as a surprise, that is our information. If you say that there has been leakage then I should very much like to know what your information is and I shall follow it up.

MR. SPEAKER: A number of notes have passed hands and changed into lower denominations, somehow it had been managed, that is his question.

SHRI H. M. PATEL: I do not see how high denomination notes can be passed over or change hands.

श्री रामजीवन सिंह : क्या सरकार को इस बात की जानकारी है कि बड़े नोटों के विमुद्रीकरण के बाद भी बहुत सा रुपया काले धन के रूप में देश में व्याप्त है ; यदि हां, तो उस को निकालने के लिए सरकार क्या उपाय सोच रही है ?

SHRI H. M. PATEL: From this we certainly cannot know what quantum of black money there would be in the country.

SHRI CHITTA BASU: May I know from the hon. Minister whether it is not a fact that the income-tax department was involved in the matter of investigating into the bona fides of persons who had deposited high value denomination currency notes and whether the income-tax department was also directed to complete its investigation within a specified time limit of three months? In this context may I know whether the income-tax department made any such investigation and if so the number of investigations and the results thereof?

SHRI H. M. PATEL: These investigations will take time, no time-limit can be given in such matters, we can only say: do it as speedily as possible (Interruptions) copies of these declarations go to the income-tax people and they look at them and they will do this if it appears to them that the information is such as needs following up further.

The precise number of cases in which they would be following up, we may not know.

MR. SPEAKER: One may be done quickly, another may take time.

श्री भागीरथ भवंर : क्या सरकार के पास इस बात का हिसाब है कि देश में जो हजार हजार और पांच पांच हजार के नोट थे उन नोटों में से कितने नोट अभी तक नहीं भुनाए गए और सरकार के पास उन लोगों की सूची होगी कि जिन के पास हजार हजार और पांच पांच हजार के नोट थे और उन्होंने उन को अभी तक नहीं भुनाया ? अगर उन्होंने नहीं भुनाया तो उन नोटों का क्या हो रहा है और इस संबंध में क्या कोई और जांच की जा रही है ?

दूसरे, जैसा अभी कहा गया कि काला घन सौ के नोटों के रूप में भी छिपा हुआ है तो क्या सौ के नोटों को बन्द करने के लिए सरकार कोई विचार कर रही है ?

MR. SPEAKER: That is outside the question. You can answer the first question.

SHRI H. M. PATEL: The high denomination notes that have not been surrendered, those notes have ceased to be currency and therefore, they have no value now at all. If the persons who had not so far surrendered their high denomination notes, tender it today they would be just pieces of paper. That is the situation.

SHRI JAGANNATH RAO: How many were in circulation and how many were not surrendered?

SHRI H. M. PATEL: I am not in a position to tell you as to how many were not surrendered. But I can certainly give you the figures as to how many high denomination notes were in circulation. About Rs. 120 crores in thousand rupee notes, about Rs. 10 crores or so in five thousand rupee notes and a smaller amount in ten thousand rupee notes, in all it was Rs. 146 crores. I am not in a position to tell you as to how many were surrendered in each of these denominations. But the total amount which was in circulation was of the order of Rs. 146 crores.

DR. KARAN SINGH: How much has been surrendered?

SHRI H. M. PATEL: I am saying that I have not yet got the final figures and that is why I am not able to give them. Whatever information I have, I am giving them.

श्री भागीरथ भंडर : माननीय मंत्री जी से मैं ने यह भी जानना चाहा था कि क्या जिन लोगों के पास ये नोट हैं उन की सूची शासन के पास है और अगर है तो उन के खिलाफ क्या कार्यवाही की जा रही है ?

MR. SPEAKER: You have put your question. You cannot go on.

SHRI H. M. PATEL: I may tell you, the total amount of notes surrendered by the public, the present figure is about Rs. 61 crores.

SHRI K. RAMAMURTHY: The Government has resorted to demonetisation in order to curtail the blackmoney as well as inflation. I think it has not had any desired effects. I want to know whether, after declaring the notes of thousand rupees, five thousand rupees and ten thousand rupees, there is any possibility for surrendering more currency notes and whether the Government will come forward and give some more time to persons who are still keeping it.

SHRI H. M. PATEL: The answer is 'No'.

श्री फिरंगी प्रसाद : माननीय अध्यक्ष जी, मैं माननीय मंत्री जी से यह जानना चाहता हूँ कि सौ से ऊपर के नोटों का विमुद्रीकरण किया गया है तो सौ से ऊपर के नोटों की कुल कितनी संख्या प्रचलन में थी और उसमें से श्रेणीवार कुल कितने नोट वापिस आ चुके हैं ? दूसरे क्या यह बात सही है कि जिन बड़े बड़े लोगों के पास घरों और बैंकों में काफी रुपए पड़े हुए थे उन्होंने कमीशन देकर मध्यम श्रेणी के लोगों के द्वारा उन नोटों को सरकार को वापिस कराने की बात सोच रखी थी—क्या यह बात शासन की जानकारी में आई है ?

SHRI H. M. PATEL: It is quite possible that people may have used smaller individuals to take a small number of such notes, but in the form that had been prescribed, each person has to show how he came in possession of those notes, why he had those notes, etc. Therefore, when all these are scrutinised we shall know the facts and then only other notes will be given in exchange.