

LOK SABHA DEBATES

LOK SABHA

Friday, August 12, 1988 / Sravana 21,
1910 (Saka)

The Lok Sabha met at

Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[English]

Tax Defaulters

*244. SHRI AMAL DATTA: Will the Minister of FINANCE be pleased to state.

(a) whether the Union Minister of State for Revenue has stated recently in Calcutta that the reason for poverty in the country was for some people not paying their taxes; and

(b) if so, the details of such defaulters and concrete steps taken to recover the dues from them?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA): (a) No, Sir.

(b) Drive against the tax evaders is continuing with undiminished vigour.

SHRI AMAL DATTA: Sir, it is a very curious situation where the Minister has reportedly - reported through Press - made a statement that people are evading taxes and

that is why the percentage of people below the poverty line in India is more than 36 per cent, and if they pay taxes, things would not be so bad. This, for the Minister's information, is reported in the Bengali paper *Jugantar* on 3.7.1988 and this has been stated by the Minister in a conference of Income-tax Officers in Calcutta where he distributed some rewards to the officers for their good work. In connection with the Dhanbad coal mafia he said that these people have been evading taxes for a long time and that they have been able to recover about Rs. eight crores, which is only a drop in the ocean. I do not know whether the wiser Minister has been pleased to deny having made such a statement. Now the question that arises - assuming that the Minister will now remember having made this observation about coal mafias - is what is the basis on which they have proceeded against the coal mafias and why is it that only Rs. eight crores have been recovered from them, when it is a well-known fact that these people have been evading taxes for a very long time and in hundreds of crores of rupees. Have they been given the same kind of exemption from having to pay penalty and interest as in the case of Shri Lalit Sun and Shri Amitabh Bachchan?

SHRI A.K. PANJA: Sir, the political part I will deal later on.

SHRI AMAL DATTA: It is factual.

SHRI A.K. PANJA: Sir, it is not correct that I have made any such statement. Having been in the Planning Commission for about more than a year, I would state that it is not correct to say that non-payment of

taxes is the only reason for the poverty. It is not that the only reason for their poverty is non-payment of taxes. What I said, Sir, was that many people were not paying taxes; that we must call upon them to pay taxes and find out a machinery so that there is a voluntary compliance so far as tax laws are concerned. That is why I mentioned that if taxes are paid, the Department of Revenue are ready to cater that money for various development programmes. More the development, more the growth will be there. That is one of the factors which really contributes for elimination of poverty, not the only factor. That is what I had stated. So far as coal mafia is concerned, on reliable information which we obtained after making scrutiny, we had in one day — I don't know why the hon. Member has taken exception for raiding coal mafias — raided them, the officers raided them and found evasion of Rs. 8 crores, Sir, they were ruling there for a long time; not a shot had to be fired. Therefore, I personally went to Calcutta, called all the officers from Bihar, Ranchi and other places and presented them with some recognition of certificate of merit.

SHRI AMAL DATTA: I said why only Rs. 8 crores, not more.

SHRI A.K. PANJA: Rs. 8.0 crores at that time were detected. But thereafter proceedings will go on. That is the point. So far as giving them any amnesty or other things are concerned, the proceedings are now going on. I do not know whether any such application has been made. (*Interruptions*)

SHRI AMAL DATTA: So, nowadays the Minister has started answering questions outside. (*Interruptions*)

SHRI A.K. PANJA: That is so far as Shri Amal Datta is concerned. (*Interruptions*)

PROF. MADHU DANDAVATE: Mr. Minister, will you come to the lobby for that

answer? (*Interruptions*)

[*Translation*]

MR. SPEAKER: Why both of you do like this. It will be constructed as favouritism from one Bengali to the other.

[*English*]

They are not to.

SHRI AMAL DATTA: Sir, the Minister has said that the drive against the defaulters is continuing with undiminished vigour. Now, what are the criteria by which we can also be persuaded to admit that there is any vigour in the drive against defaulters? Are there larger number of prosecutions, larger number of people are being caught by the Income-tax Department and more taxes are being recovered from them? Has the number of defaulters gone down?

[*Translation*]

MR. SPEAKER: Add the word larger number, otherwise, the number will enlarge further.

[*English*]

SHRI AMAL DATTA: I would like to know what is the modus operandi of this drive being carried on with undiminished vigour? What is the outcome or the result of this? To what extent the Revenue Department has benefited? Secondly, you may know as the Minister that the Public Accounts Committee last year made certain recommendations for intensive survey of professional and small business having regard to the fact that Income-tax Department had already increased the number of assesses to a considerable extent. That was the recommendation. So, what action has been taken by the Department in this regard? Has any heed been taken of this

recommendation. May I know what action has been taken in pursuance to that?

SHRI A. K. PANJA: So far as the first part is concerned, I am taking some time because the Member has asked the question. Sir, I have got the figures here. In 1983, we have detected Central Excise cases worth Rs. 55.5 crores. In 1987, because of hard work by the officers, it has gone up to Rs. 1497 crores.

SHRI AMAL DATTA: This is the figure of what?

SHRI A.K. PANJA: This is detection of Central Excise tax evasion. So far as 1984 is concerned, detection was 5,458 Central Excise cases. The duty evasion detected was Rs. 69.18 crores, and 81 prosecutions were launched. So far as 1987 is concerned, Central Excise cases detected were 6,715; amount of tax evasion detected Rs. 1,497.67 crores; prosecutions launched - 128. And up to June 1988, Central Excise anti-evasion agencies detected 2,648 cases; Rs. 172.38 crores is the Central Excise duty evasion detected and prosecutions launched: 76.

So far as the recommendation of the Public Accounts Committee is concerned, we have taken note of it, many of its recommendations we have already given effect to, but as the hon. Member was the Chairman at that time I can say this that in 1985-86 the number of cases surveyed was 1,65,911; new assesses found: 1,05,688. In 1987...

MR. SPEAKER: Put it on the Table of the House.

(Interruptions)

SHRI A.K. PANJA: In 1982-88 cases surveyed 6,19,032; and new assesses found - 5,23,376. Therefore, the recommendation has been given effect to.

SHRI AMAL DATTA: In spite of those figures presented, that recommendation was made. What have you done with regard to that?

SHRI A.K. PANJA: We are taking steps gradually to bring in more people within that circle.

Suggestion from the Election Commission

*245. SHRI BASUDEB ACHARIA:
SHRI SURESH KURUP:

Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether Government have received any suggestion from the Chief Election Commissioner for a suitable amendment to the election law in order to eliminate any scope for casting doubts or suspicion about the Commission's action in ordering an election at a given time; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF LAW AND JUSTICE (SHRI H.R. BHARDWAJ): (a) Yes, Sir.

(b) As part of the proposals for electoral reforms the Election Commission has suggested that the election law may be suitably amended to include guidelines for fixing dates for elections.

SHRI BASUDEB ACHARIA: Sir, the Chief Election Commissioner has already submitted his suggestion for framing suitable guidelines. Sir, there is a tendency on the part of the Government to postpone election on some plea or other. People of Allahabad did not have an elected representative for 11 months. Elections were postponed for 3 times there and election in Tamil Nadu is being postponed although there is