

still going to ask him whether there has been.

(Interruptions.)

MR. SPEAKER : Now let me say something. What is this ? I do not know what you are going to prove by this type of behaviour. I deplore it.

Only one question—whether there is any step-motherly treatment as regards participation of Mr. Goenka or not, and whether he was treated on par with others.

SHRI JANARDHANA POOJARY : No step-motherly treatment will be given to any person and justice will be given to all and that I have stated here also. That is why I requested which part of the question I should answer first. I have answered that now.

Now, coming to the other part...

SHRIMATI GEETA MUKHERJEE: What did transpire in that meeting ? Let him say if he does not know.

MR. SPEAKER: How does he come into the picture ? He can answer only so far as the Central Government is concerned....

(Interruptions)

MR. SPEAKER : Please look here. The functioning of the State Legislature Party and the functioning of the Central Government are completely two different things....

(Interruptions)

MR. SPEAKER : Geetaji, please sit down. What he has to deal with is the Central Government responsibility and not with that of the State Government. What the Congress Legislature Party does in West Bengal is not his business.

SHRI JANARDHANA POOJARY : I wanted to know from you which part of the question I should answer first because she raised some other things also. I did not say that I do not know. I wanted to know from you...

MR. SPEAKER : Now you please answer. Already a lot of time has been

taken unnecessarily. Very deplorable. Very deplorable. Mr. Amal Datta, I do not appreciate what you have done today.

SHRI JANARDHANA POOJARY: So far as the request made to the Finance Minister regarding assistance to be given to the Haldia Petro-chemical Project, I will verify what has transpired between the Finance Minister... Otherwise tomorrow it will be said that I have misled. I will verify and I will take into consideration the memorandum submitted to the Finance Minister.

Regarding resources I want to make it very clear that it is not the intention of the Central Government to stall this project or do anything like that. What we have stated is that there is a resource constraint. If more funds are available in the course of the Seventh Five Year Plan—during the Sixth Plan we have made available more funds—it will be given to the State Government. That I have made very clear.

SHRI GIRDHARI LAL VYAS
Without their contribution ?

MR. SPEAKER : So much of time has been taken on this one question unnecessarily and without any rhyme or reason and any sense of decency.

Estimate of Black Money

*62. SHRI UTTAM RATHOD† :
PROF. K. K. TEWARY :

Will the Minister of FINANCE be pleased to state :

(a) the steps being taken by Government to check the operations of black marketeers and round them up;

(b) the estimate of black money believed to be in circulation in the country; and

(c) the amount of black money unearthed during the last financial year and so far during this financial year ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) All possible measures to check circulation and prevent further proliferation of black money, including administrative, legislative and institutional, are being taken from time to time.

(b) The National Institute of Public Finance and Policy in their recent report on "Aspects of black economy in India" have estimated the black income generation for 1983-84 at 18 to 21% of the Gross Domestic Products at 31,584 to 36,786 (Rupees in crores). They have, however, admitted that their results are based on numerous assumptions and approximations, each of which could be challenged.

(c) The amount of black money unearthed during the last financial year i. e. 1.4.1984 to 31.3.1985 and from 1.4.1985 to 30.6.1985 is as under:-

Financial year	Value of assets seized (Rs. in lakhs)
1984-85	2,507.59
1985-86 (upto 30.6.1985)	653.93

SHRI UTTAM RATHOD : Sir, our efforts to get this black-money through voluntary declarations and bearer bonds could not bear any fruits. The amount that has been unearthed in the year 1984-85 is only Rs. 2,507,59 lakhs. So, I would like to know what steps Government desires to take to lay their hands on this black money and get it unearthed ?

SHRI JANARDHANA POOJARY : we have intensified the raids and also strengthened the machinery to mop up the black money. Not only that the Finance Minister, Government of India is personally monitoring the operation. For the information of the House the Finance Minister moved from place to place. He attended the meetings of the Income Tax officers for the first time. It

has never happened, namely, the Finance Minister meeting the Income Tax Officers. He met them at Delhi, Bombay, Calcutta and Ahmedabad. In Bombay, I also happened to be there. I also advised the ITOs. There were 800 and odd officers. We have made it very clear to them that so far as the big evaders are concerned, we have to intensify the drive and so far as the others are concerned there should be selective checks.

In addition to that we are going to set up shortly one Bureau of Economic Intelligence for coordinating the Income Tax, Customs, Excise and even other departments like banks, etc. The purpose of this Organisation is to have coordinated efforts in order to unearth black-money. Earlier if there is a raid by Income Tax people and if there is any incriminating document relating to customs then there was no power with the Income Tax Officer to seize that document. Now, this Organisation will coordinate. We are working out the details of this Organisation. As a result of the steps that have been taken in so far as customs alone are concerned we have been able to mobilise—due to customs-raids and seizures—about Rs. 101.09 crores in the entire year. This time within six and a half months we have been able to—by customs alone in respect of anti-smuggling activities—mop up Rs. 102.25 crores.

PROF. MADHU DANDAVATE : You are not stating the methods. These are not the methods to mop up black-money.

SHRI JANARDHANA POOJARY : we have made it very clear to the Income Tax authorities, Customs and Excise also. Now, the hon. Members may say that so far as our raids, searches and the mopping up are concerned, this amount is not a big amount. But it is not the question of amount that is being collected immediately at the time of the seizure. The point is not only of deterrent action that is being taken but the seizure is also going to give us information for detection of other cases. These are the efforts we have taken. Sir, the budget estimate for collection through Customs

and Excise, that is for 1985-86, was Rs. 20,426 crores. But our effort is to collect Rs. 3,000 crores more than the budget estimate of this year. We are going to mop up more money so far as direct taxation is concerned. About one thousand crores more than the budget estimate will be collected. These are the steps taken by the Government. With the intensive drive and other steps taken, we are hopeful that we can produce better result and we have made it very clear to all these officers that Government means business and unless they deliver the goods, we are not going to tolerate lethargy, corruption, inefficiency. Steps are also taken to remove hurdles.

SHRI UTTAM RATHOD : Sir, the explanation given by the hon. Minister seems to be quite convincing. But I would like to know from him if he would be able to wipe out black money of Rs. 36,000 crores that is running parallel in the economy. At this rate, how long would it take for the Government to wipe out black money? Will the Government think of demonetisation?

SHRI JANARDHANA POOJARY : Sir, on page 341 of the Report, they have made it very clear that they cannot give a precise and accurate figure. The figures given in the report are based on approximation and presumptions. If I make an attempt to say that this is the volume of black money that is available in the country, then I think I will be misleading the Parliament. I think nobody can be sure about the volume of black-money. Now, as far as the demonetisation is concerned, there is no such proposal before the Government. Regarding the wiping out of black money, I would submit that for that dedication and political will are required and we are moving on that direction and with the political will, we will try to wipe out black-money, if not completely but we are going to make a beginning and we are moving towards that end. Our action is also going to show that we will be, to a certain extent, successful in mopping up black-money.

PROF. K.K. TEWARY : Mr. Speaker, Sir, all this talk about mopping

up of black-money and stopping it from further generation is fast becoming an old hat. We are hearing of the success made in this direction, but nothing seems to have emerged so far. The National Institute of Public Finance and Policy have made a study on this. I wonder whether this study report will be placed on the Table of the House. They have dealt with different aspects of black-money operation and I am of the opinion that henceforth this black-money should be called 'effective money' because that is more effective and sometimes it is euphemistically called 'parallel economy'. I think it is much larger economy than the legitimate economy and the volume of black money is frightening. Although there are disputes among the experts also about the parameters of calculation, this whole report is tentative. Nobody can guess about the total volume of black-money now in circulation in the country.

Sir, I am happy that the Government have started to take some effective steps. But these steps are not enough. There was a disclosure of large scale smuggling of black money from India to foreign countries. Black money from India goes abroad, and it is laundered and brought back and is invested in huge companies. In this context, black money, in a way, is being rewarded. I would like to know from the hon. Minister whether in recent weeks there have been some raids, as the Minister claims. I am informed that the premises of two big companies—one led by one Mr. Manu Chabria and the second, United Breweries presided over by one Vijay Malaya—had been raided and I am told that black money to the tune of a thousand crores of rupees has been recovered. So, in the light of this, will the Government take more stringent measures, so that the black money generators and smugglers do not get away with lighter punishment? And what inquiries Government is further going to order into such activities as bringing money back and wasting it in big companies?

SHRI JANARDHANA POOJARY : I share the concern of the hon. member

Definitely, Sir, it is a menace which we have to combat. For that the hon. member has also given some suggestions and in fact we are going to have a comprehensive (amendment) legislation. We are going to bring forward an Amendment Bill as early as possible. Thereby, we will give deterrent punishment. Not only that, the method will also help to combat the evaders.

So far as the cases are concerned, it is *sub judice*. Not only that, Mr. Chabrias passport was released and hence, I am not in a position to give any details or comment on that.

PROF. K.K. TEWARY : The House would like to know what is the quantum of black money recovered.

SHRI JANARDHANA POOJARY : I will furnish it to the House and there is no question of hiding. The information is not available with me now.

PROF. K.K. TEWARY : His Ministry must be having an account of the Money.

MR. SPEAKER : He said that he would inform the House.

PROF. MADHU DANDAVATE : I have with me a copy of the Report of the National Institute of Public Finance and Policy. It is very clear that from 1975-76 upto 1983-84, there has been a continuous increase in black money, that has been estimated by various methods. I would like to ask one simple and short question. When Shri Venkataraman presented his first Budget, he introduced the idea of special bearer bonds and the purpose of the special bearer bonds was to unearth the black money, in other words, to convert the black money into white money. I want to ask the hon. Minister two specific questions, or you may say, (a) and (b). After the introduction of the special bearer bonds, how much portion of black money was converted into white? And afterwards, since the special bearer bond itself became a parallel currency (the bonds were sold at black price), I would like to know, as a result of the special bearer bonds, how much of

white money was converted into black money.

SHRI JANARDHANA POOJARY : The hon. Member Shri Madhu Dandavate Ji is known for putting sharp questions.

SHRI S JAIPAL REDDY : Not only short, but also sharp.

SHRI JANARDHANA POOJARY : He wants me to say what is the amount that has flown from black money for these Bearer Bonds. I think nobody can give the correct estimate.

PROF. MADHU DANDAVATE : It is very easy; he can consult Mr. Venkataraman. He will be able to give.

SHRI JANARDHANA POOJARY : Here, the amount that has flown to Bearer Bonds is about Rs. 962-odd crore. Now, the hon. Member wants to make a distinction by asking how many have been purchased from black money, and how many from white money. It is very difficult...

PROF. MADHU DANDAVATE : He has not understood. Shall I explain my question to him?

SHRI JANARDHANA POOJARY : It will be very difficult.

PROF. MADHU DANDAVATE : Shall I explain my question? Perhaps because I asked my question in bad English, he could not follow it. Shall I ask him in Hindi?

[Translation]

My question is that the special Bearer Bonds...

[English]

MR. SPEAKER : He will not follow Hindi.

[Translation]

PROF. MADHU DANDAVATE : My English is poor, that is why, I was asking in Hindi.

[*English*]

I would like to know from him : when the Special Bearer Bonds were issued, all the economists came forward with the comment—and indirectly the Minister had accepted it ;—it is a fact—that whatever be the price of the Bond, actually those Bonds were sold in the black market at higher prices, inside the country and outside the country. Therefore, I want to know this : just as he has made an estimate of other black money, has he been able to make an estimate of this black money also, i.e. how much of white money was converted into black money, because of the increasing prices of the Special Bearer Bonds ?

MR. SPEAKER : He can just say : 'I cannot'.

SHRI JANARDHANA POOJARY : That is what I have given in the answer. Even some honest people have purchased the Bearer Bonds. We cannot say—dishonest people have also purchased the Bearer Bonds—from what amount of black money they have purchased the Bearer Bonds, and from how much of white money they have purchased the Bearer Bonds, it is not possible for me to give an answer. That is what I said.

I appreciate the good language of Mr. Madhu Dandavate. I never stated that his language was very bad. In fact, it is better than my English language. I appreciate it, and I agree that it is good.

SHRI INDRAJIT GUPTA : The hon. Minister need not be so apologetic about his language, because neither he nor Prof. Dandavate studied at the Doon School. So, you are not expected to know.

PROF. MADHU DANDAVATE : I learnt English language from Prof. Marx, and not from the air hostess.

SHRI INDRAJIT GUPTA : Normally, the banks do not disclose their accounts; but recently, I have seen a statement issued by the President of

the Associated Chamber of Commerce where he says that in some countries which are also very badly affected by this malaise of black money, their Governments are negotiating with the Swiss banks in order to obtain some information about illegal accounts which are held in those Swiss banks. The President of the Associated Chamber of Commerce has suggested that Government of India should also try to negotiate with the Swiss banks in order to see if some information can be got about the illegal accounts which are held there. As everybody knows, they are held there by people who have transferred black money out of this country. Is the Government thinking of any efforts in this direction ?

SHRI JANARDHANA POOJARY : It is a suggestion for action. I do not have the information, and whatever information is available, I will furnish to the House, or to the hon. Member.

[*Translation*]

SHRI RAM BHAGAT PASWAN : Mr. Speaker, Sir, the hon. Minister has admitted in his reply that there is enormous black money in the country. He has also conducted a number of raids to flush out black money. Legal action has also been initiated against the offenders. I want to know from the hon. Minister the number of persons against whom legal action was initiated between 1980 and 1984 and the number of person against whom the cases are pending in the court.

MR. SPEAKER : These statistics he will give.

SHRI RAM BHAGAT PASWAN : Who are these people against whom cases are being pursued in the court, how many cases have been decided in favour of the Government and how many in favour of black money holders so far ?

MR. SPEAKER : You can give the information if you have it, otherwise, you may give it later on.

[English]

Statement

You can give it later on if you do not have it. Have you got statistics with you?

SHRI JANARDHANA POOJARY :
In the year 1984-85, there were 2111 cases prosecuted, and during this period, for the last 6½ months, the number of raids was 1,243; during this period of 6½ months, we got conviction in 17 cases; and other information I will furnish to the hon. member.

SHRI V. SOBHANADREESWARA RAO : In the reply of the hon. Minister it is found that the efforts at present taken to eradicate black-money have not touched even a tip of an iceberg. So, will the government, as one of the effective measures to prevent and further escalate of the black-money, resort to denometisation of 100 Rs. currency notes?

SHRI JANARDHANA POOJARY :
There is no such proposal.

Increase in Bank Frauds

*63. **SHRI BANBARI LAL† PUROHIT :**
SHRI R.M. BHOYE :

Will the Minister of FINANCE be pleased to state :

(a) whether the incidence of banking frauds has increased steadily and alarmingly in the recent past in the country;

(b) if so, whether it is a fact that every year crores of rupees are lost through various fraudulent methods; and

(c) steps Government have taken/propose to take to streamline the situation and to book the criminals involved in such frauds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c) A statement is given below.

(a) According to information reported by public sector banks to Reserve Bank of India, the number of frauds in banks increased from a total of 2065 in 1982 to 2360 in 1983 and 2410 in 1984.

(b) The amount involved in the frauds has increased from Rs. 19.44 crores in 1982 to Rs. 29.62 crores in 1983 and further to Rs. 38.39 crores in 1984, representing 0.029, 0.038 and 0.041 respectively, in terms of percentage to the working funds. These amounts, however, do not necessarily represent the actual losses to the banks.

(c) The Government and RBI take a very serious view of the increase in the number of frauds. Public sector banks have been advised to strengthen their vigilance and audit machineries, and to keep a close watch over large banking transactions. Measures have also been taken to ensure that authority delegated at various levels is not ordinarily exceeded, and the strictest action, according to rules, is taken against erring employees. Where necessary, the Central Bureau of Investigation have been entrusted with investigations, and the Government is determined to pursue such cases relentlessly.

[Translation]

SHRI BANWARI LAL PUROHIT :
Mr. Speaker, Sir, The banks are not at all functioning properly the banks were Nationalized with the objective of providing some assistance to the poorest of the poor and the educated unemployed under the 20-Point Programme. I have received two letters from Nagpur. One of them is from an unemployed youth. He has written that the bank demanded 25 per cent margin money from him in connection with the purchase of a Matador; he sold his two acres of land and deposited the money with the bank as margin money, but when he approached the bank for the money, he was told that their (Bank's) quota had already been exhausted.

The second letter is from the fishermen. In connection with getting them