

had already mentioned that JCI purchased roughly about 8 lakh bales in 1979 and 9.6 lakh bales in 1980. Therefore, during 1978-79, they could not dispose of a single ounce. Those 18 lakh bales were kept in the god-down. Godown space was already occupied by the earlier procured 18 lakh bales and this year, 9.6 lakh bales is added to it. The total capacity of storage facilities of JCI goes up to 25.6 lakh bales. Out of that, as they could dispose of 10.75 lakh bales, 15 lakh bales are still lying.

In regard to the second part of Hon. Member's question, nationalised group mills are already purchasing from the JCI and I can give figures. Nationalised Jute Manufacturing Corporation has already procured 4.57 lakh bales from JCI. That is why, JCI could dispose of 10.75 lakh bales.

Tax Evasion

*70. SHRI MADHAVRAO SCINDIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the report in the 'Economic Times' dated December 10, 1980, captioned "TAX EVASION LIKELY TO TOUCH Rs. 300 CRORES MARK";

(b) if so, what is the Government's assessment of the position; and

(c) what steps have since been taken by Government to prevent such tax-evasion?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA):

(a) Yes, Sir.

(b) and (c). A statement is laid on the Table of the House.

Statement

With a view to releasing manpower available for making assessments in bigger cases, a 'Summary Assessment

Scheme' was introduced in 1971 under which returns are accepted without calling the assessee to the Income-tax Office. This scheme applies to assessments with income upto a certain monetary limit which has been fixed from time to time. There are various categories of cases to which the scheme does not apply irrespective of the income e.g., new cases, tax evasion cases, practically all company cases, etc. There is also a built-in check by way of a sample scrutiny on random selection basis out of the cases falling under the scheme. To prevent tax evasion. Sub-Section (9) of Section 139 has been introduced by Finance (No: 2) Act. 1980 prescribing statutorily, *inter-alia*, filing of balance-sheet, trading account, profit and loss account and partners/proprietors accounts where regular books of accounts are maintained and also filing of a trial balance and the basis of income returned in cases where regular books of accounts are not maintained. The scope of sample scrutiny has been further enlarged and tightened recently. Officers have been directed to pick up more cases for sample scrutiny. The scrutiny has been made more effective as total wealth statements in all such cases have now to be obtained and scrutinised before finalising the assessments. The Inspecting Assistant Commissioners have also been instructed to issue directions u/s 144A in some of these cases for investigation. Officers have been directed to take a case out of the summary assessment scheme if it is found that a person has made apparently wrong claim for deduction or exemption. Cases where property income has been shown for the first time, have also been excluded from the purview of summary assessment scheme. First assessment in a new case is excluded from the summary scheme for the purposes of proper determination of status, capital investment etc.

SHRI MADHAVRAO SCINDIA: The categorical implication in the statement laid on the Table of the

House is that Income-tax officers are empowered to pick up random cases for sample scrutiny. I would, therefore, like to seek a clarification. My understanding is that once sub-clauses (2) and (3) of Section 141(I)B of the Income-tax Act have been deleted, the Income-tax officer is obliged to accept the return of the assessee. As these two sub-clauses are deleted, the income-tax officer has no power in law to question the assessment. In fact, my suggestion is to restore this power to the Income-tax Officer so that he can make random assessments and the assessee can never be certain of escaping proper taxation by manipulating the Return on Income-tax to be within the prescribed limits.

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): I would like to know the purpose of this question. After a great deal of representation from the assesseees and a number of appeals in this House and also several statements in the Public Accounts Committee, we wanted to avoid harassment of the assesseees and for that purpose, before the last Budget we issued instructions saying that assesseees up to Rs. 1 lakh would be summarily assessed, that is their returns will be accepted by the Income-tax officers straightaway and assessment will be made.

Thereafter, in order to see whether it is properly done or not, they can take random samples of 20 per cent and then check and verify whether they are correct. We have also introduced one or two other things. If the person's previous history is wrong it can be checked; and then if a person shows a loss of more than Rs. 25,000—there are a number of things. The purpose has been good because we want to avoid harassment. I do not see what is the advantage in restoring the old clauses in which the Income-tax Officers will, after receiving these returns, again harass him by saying, "Bring the details of this." I do not see any purpose in

that. I want to know the purport of his question....

SHRI MADHAVRAO SCINDIA: I have no arguments with the objective. But my understanding is that, once you delete these two sub-clauses, you are not empowered to make random samples. If you clarify this and say that that the power to do so is there I have absolutely no question to ask on this account.

SHRI R. VENKATARAMAN: We have that power.

PROF. MADHU DAIDAVATE: Political power!

SHRI R. VENKATARAMAN: I said, I have the power under the Statute.

SHRI MADHAVRAO SCINDIA: I would like to know whether the Government is considering offering incentives to the taxpayer so as to encourage him to make a proper return by allowing investment of sale proceeds of capital assets in more schemes like rural bonds but by making them more attractive. A lot of funds which are evaded from the tax system could be channelised into these schemes and vast resources could be generated to fulfil social aims, as in the case of rural bonds, of reducing urban-rural disparity.

SHRI R. VENKATARAMAN: The hon. Member may be clever, but he cannot get the budget proposals from me at this time.

DR. SUBRAMANIAM SWAMY: In his speech last year—I do not want to know his coming speech; I refer to his speech last year—he has said that one of the ways of removing tax evasion is to consider changes in the tax system itself. There are a number of proposals of the Jha Committee on indirect taxes and of the Palkhiwala and Choksi Committees on direct taxes....

AN HON. MEMBER: Of the Wanchoo Committee also.

DR. SUBRAMANIAM SWAMY:... and earlier the Wanchoo Committee and also the 123rd Report of the Public Accounts Committee which has said in a negative sense that tax evasion cannot be removed by the voluntary disclosure scheme. I would like to know from the Minister whether he has given any thought, since his last speech, to the recommendations of these tax-Committees and also the opinion of the Public Accounts Committee on the subject.

SHRI SONTOSH MOHAN DEV: Sir, he is a member of the Estimates Committee, and the Estimates Committee is examining income-tax. He cannot ask this question, and it should not be replied to. We have got instructions not to ask questions. A senior Member should not misguide us.

DR SUBRAMANIAM SWAMY: I have asked about the Choksi Committee. I have asked about the Public Accounts Committee...

SHRI R. VENKATARAMAN: I can take care of that.

The question relates to summary assessment....

DR. SUBRAMANIAM SWAMY: No, it is about tax evasion.

SHRI R. VENKATARAMAN: If you would look into the question, it relates to summary assessments...

MR. SPEAKER: You are right.

SHRI R. VENKATARAMAN: The question that has been put by the hon. Member Dr. Subramaniam Swamy does not relate to summary assessment and, therefore, I am unable to answer.

DR. SUBRAMANIAM SWAMY: Please read the Question. Sir, what he says may be in the article, but the Question is about tax evasion. Please read the Question yourself, Sir. If you want to save the Minister, that is a different thing.

SHRI MADHAVRAO SCINDIA: It does refer to summary assessments. I have referred to the newspaper report which talks about summary assessments.

DR. SUBRAMANIAM SWAMY: Tax Evasion.

SHRI MADHAVRAO SCINDIA: Tax evasion under Summary Assessment.

प्रश्न प्रकृत [सूचित] रहता है क्या यह सही है कि प्रथम टार की राशि जिन 10 घरानों में बाकी है, उसमें सबसे ज्यादा बकाया में खालियर का राजघराना भी एक है जिसके भारतीय सदस्य भी एक सम्मानित सदस्य हैं ?

SHRI R. VENKATARAMAN: I want notice.

MR. SPEAKER: Next question—Shri Halder.

SHRIMATI PRAMILA DANDAVATE: Mr. Speaker, Sir...

MR. SPEAKER: Sorry, it is over, Madam.

Mr. Halder—not here. Next question.

केन्द्रीय सरकार के कर्मचारियों को महंगाई भत्ता

*72, श्री रामचतार शास्त्री :

श्री एम० राम गोपाल रेड्डी :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या मूल्य सूचकांक में वृद्धि के कारण केन्द्रीय सरकार के कर्मचारियों को महंगाई भत्ते की एक और किस्त दिसम्बर, 1980 से देय हो गई है;

(ख) यदि हां, तो केन्द्रीय सरकार के कर्मचारियों की प्रतिरिक्त महंगाई भत्त की कितनी किस्तें बकाया हैं; और