

MR. CHAIRMAN: Question not relevant. Now Mr. Renuka Chowdhury.

SHRIMATI RENUKA CHOWDHURY: Sir, you called me 'Mr.'!

MR. CHAIRMAN: Oh! From the masculinity of your voice I thought it was Mr.

SHRI A. G. KULKARNI: Sir, you have bowled out Mr. Salve so immediately. He was batting and you have bowled him out.

MR. CHAIRMAN: Sometime they go out for a duck.

SHRIMATI RENUKA CHOWDHURY: I was seeking a clarification from the Minister when he was saying that investment in the private industry do not affect investments in the banking industry, if he can substantiate his statement, because he has very categorically said 'No', whereas I can substantiate saying 'Yes' by producing a list of people who are investing in the private sector because of the larger interest that they are getting there than in the banks where the deposits are being disbursed in loan melas which are non-recoverable. And also there is great insecurity in banking today.

SHRI JANARDHAN POOJARI: There has been an increase of deposits in the year 1986-87 compared to the year 1985-86. The increase is to the extent of Rs. 16,723 crores as on 27-3-1987 compared to Rs. 13,160 crores as on 27-3-1986. The increase in 1986-87 is 19.6 per cent as compared to 18.2 per cent in the year 1985-86. That is why I have said the deposits in banks have not been affected.

Response to voluntary disclosure scheme under the FERA

*225. SHRI BHAGATRAM
MANHAR: †
SHRI BIR BHADRA
PRATAP SINGH:

Will the PRIME MINISTER be pleased to state:

(a) what was the response of the NRIs and others to the voluntary Disclosure Scheme under the FERA announced by the Government last year;

(b) whether it is a fact that the response to the scheme was not encouraging;

(c) if so, what steps Government propose to take in this regard; and

(d) what was the total amount of money declared under the above scheme as on 31st March, 1987?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHM DUTT): (a) to (d) The Reserve Bank of India has received 475 declarations involving about Rs. 67 crores.

SHRI BHAGATRAM MANHAR: Sir, will the Government consider reviewing the Voluntary Disclosure Scheme under the FERA and making it more comprehensive and, if not, what are the reasons therefore?

SHRI BRAHM DUTT: Sir, first of all, we are evaluating the results of the previous scheme and, after that, this question can arise.

†The question was actually asked on the floor of the House by Shri Bhagatram Manhar.

MR. CHAIRMAN: Yes, Mr. Manhar, you put your second supplementary.

SHRI BHAGATRAM MANHAR: Sir, I would like to know whether the Government will undertake a revision of the FERA to ensure that the law-abiding businessmen are not unnecessarily troubled in their dealings and those businessmen who break the rules are given the most stringent punishment.

SHRI BRAHM DUTT: Sir, the revision of a particular law or Act is a continuous process and as the situation arises and the necessity is felt, we will do it.

MR. CHAIRMAN: Yes, Mr. Bir Bhadra Pratap Singh.

SHRI BIR BHADRA PRATAP SINGH: Sir, to my mind, the question relates to not only NRIs but others as well. So far, Sir, the idea was that with the grant of immunity capital flight would be checked and the money that has gone out would be repatriated back to this country. Now what has been achieved has been given by the Minister. But the main difficulty is that you have made a distinction and you are making a drastic distinction between the NRIs and others whose money has gone out whereas the NRIs have got all the facilities to invest and deposit and repatriate and give money on loan in India. But repatriation is the safeguard. Now, the people other than NRIs do not have the same safeguard. While that distinction remains, people other than the NRIs will not bring back their money and will not be able to put it in the Reserve Bank account and will be subjected to all sorts of harassments. Will you consider this aspect of the matter? It is because of this only

that the objective of immunity has not been achieved and the capital flight is taking place and the money has not reverted.

SHRI BRAHM DUTT: Sir, the difficulty is that a person leaving India would be allowed to repatriate from outside India. So, this question cannot arise. About the NRIs also, we have two repatriation schemes, one is repatriable and the other is non-repatriable. The non-repatriable is more attractive. But we gave an opportunity to everybody to come clean and the effect is what I have told you. It is being evaluated and the cases are being screened and then we will make some formulations.

MR. CHAIRMAN: Mr. Upendra.

SHRI PARVATHANENI UPENDRA: Sir, the honourable Minister mentioned about the disclosures. I would like to know how many persons took advantage of this scheme and to which countries these people belong.

SHRI BRAHM DUTT: Sir, I have stated in my answer that 475 declarations have been made and they are from all over the world practically.

SHRI PARVATHANENI UPENDRA: Give me the names of some countries at least. (*Interruptions*).

SHRI BRAHM DUTT: Sir, it is desirable that at this moment, when it is under evaluation and under scrutiny by the Reserve Bank of India, the names of the countries and the names of persons are not given. But I assure the House that when this scrutiny is over, I will place all the facts. (*Interruptions*).

SHRI PARVATHANENI UPEN-DRA: Sir, will you allow this? What is wrong in giving the names of countries? I am not asking for the names of persons, but I am asking for the names of the countries only. (*Interruptions*). Let him give the names of some major countries. He can disclose the names of some countries.

SHRI BRAHM DUTT: Sir, if you allow, I will have to read out thirty to forty names. (*Interruptions*).

MR. CHAIRMAN: No. You merely mention two or three countries. (*Interruptions*). Just mention a few countries. (*Interruptions*).

SHRI BRAHM DUTT: Which country you want, Sir? (*Interruptions*). Sir, the difficulty is that the people are from different States within India itself. (*Interruptions*).

MR. CHAIRMAN: No, no. Declarations have been made by the NIRs. But from which countries? You mention two or three countries, illustrative cases. That will do. (*Interruptions*). Just give some illustrative cases. (*Interruptions*).

SHRI BRAHM DUTT: If you want the places inside India and outside India and the names, I can read out the names. (*Interruptions*).

MR. CHAIRMAN: No, no. You just give the illustrative cases, some countries. That is all. (*Interruptions*).

SHRI BRAHM DUTT: Sir, mostly they are from within India. (*Interruptions*). Mostly they are from within India. (*Interruptions*).

MR. CHAIRMAN: The question that is asked is, in which country the NRIs are residing.

SHRI PARVATHANENI UPEN-DRA: The main question has not been answered.

MR. CHAIRMAN: The NRI's are residents in which country?

SHRI BRAHM DUTT: I have a list of 375 names. I will have to give them.

MR. CHAIRMAN: He will give you the answer later. He will send a letter to you.

SHRI BRAHM DUTT: I will send a letter to you later.

SHRI A.G. KULKARNI: May I know from the Minister whether, when there is a poor response to the voluntary disclosure scheme under the FERA, the Government has applied its mind, particularly in view of the Rangarajan Committee Report which was previously appointed, that it is profitable for those having surreptitiously amassed money in foreign countries to invest in this country under one name or other or *benami* name and get the maximum rate of interest and facilities for repatriation? So, Sir I am making the point for the last two, three months, that this entire NRI scheme has been reviewed to see what the loopholes are, how the benefits are being taken by *benami* investment of the money which is really belonging to this country. They are holding it surreptitiously by under invoicing, over-invoicing, having gone abroad. So, will the Minister please assure this House that the proposal will be considered since the Rangarajan Committee has brought very vividly that these are the loopholes by which new investments are being made? So, will the Government say something on this?

SHRI BRAHM DUTT: Sir, this question rather comes up again and again before the NRI Consultative Committee also, and certain recommendations have been made by that Committee, and we are looking into them with reference to the Rangarajan Committee and other reports.

SHRI CHIMANBHAI MEHTA: It is clear that the response is very poor. So, I would like to know at least some rough estimation of the money going out of the country and surreptitiously deposited somewhere in banks wherever. So, what is the actual estimation of the money going out from the country? I know that he would say that he could not give this estimation. But some estimation has to be given.

MR. CHAIRMAN: Why did you put the question then?

SHRI CHIMANBHAI MEHTA: I do not say that he should absolutely commit himself to a particular figure, but at least he must say something because really clandestinely the country is being looted, I would request him to give an estimation.

MR. CHAIRMAN: Can you give an estimate of the money held outside?

SHRI BRAHM DUTT: It is difficult to give an estimate or to say which estimate is correct.

PROF. C. LAKSHMANNA: Mr. Chairman, Sir, I would like to ask the Minister what percentage of the revelations pertain to NRIs and what percentage to others and whether it has been possible to curb the flight of capital outside the country.

SHRI BRAHM DUTT: About disclosure?

PROF. C. LAKSHMANNA: Yes.

SHRI BRAHM DUTT: Sir, I would again submit that it is not desirable at present to disclose anything.

PROF. C. LAKSHMANNA: I am only asking for percentages.

SHRI BRAHM DUTT: Percentages have to be calculated.

MR. CHAIRMAN: A copy of the letter which you will send to Mr. Upendra, you send to Prof. Lakshman-na.

SHRI BRAHM DUTT: I have no objection. I will calculate and send.

SHRI PARVATHANENI UPENDRA: How can anybody share my letter?

SHRI NIRMAL CHATTERJEE: There is one party of non-resident identity. They are companies *via* which this over-invoicing and nuder invoicing takes place. Does it include any such companies?

And another question is: In view of the fact that the amount is very small, is the Government contemplating further liberalisation in this measure so that the entire foreign exchange deposit may come back?

SHRI BRAHM DUTT: Sir, I have already submitted that after the evaluation and scrutiny of his scheme we will think about it. What we will do, we do not say.

PROF. C. LAKSHMANNA: Are you thinking of further liberalisation also? That is what I am trying to find out.

SHRI BRAHM DUTT: At present we are evaluating the impact of this.

PROF. C. LAKSHMANNA: Are you thinking of further liberalisation? That is what I am enquiring.

SHRI BRAHM DUTT: I am not saying that.

SHRI GURUDAS DAS GUPTA: When the scheme was being adopted in this House, we had commented that this is going to be a big fraud. What the hon. Minister has just now stated only confirms our apprehensions. There is another aspect of that apprehension. The point is that a number of persons who have taken advantage of this amnesty scheme, have given assurance to the Government that they will be repatriating the money within such and such period of time. I would like the Minister to tell us if that undertaking is not fulfilled, what

steps the Government proposes to take against them?

MR. CHAIRMAN: It is a hypothetical question. Question No. 226—Hon. Member not here. sh

*226. (The question (Shri Chitta Basu). was absent. For answer, vide co 34-35 infra.

MR. CHAIRMAN: Question No. 227.

परियोजनाओं के वाजिब क्रियान्वयन की जांच के लिए अभिकरण

*227. डा० रत्नाकर पाण्डेय : क्या कार्यक्रम क्रियान्वयन मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या मंत्रालय ने राज्यों द्वारा कार्यक्रमों के क्रियान्वयन के संबंध में भेजे गए प्रतिवेदनों की सत्यता की जांच करने के लिए कोई अभिकरण स्थापित किया है ; और

(ख) क्या इस प्रकार के अभिकरण संबंधित परियोजना की सफलता का मूल्यांकन, उसकी गुणवत्ता के आधार पर भी करते हैं या केवल परिणाम के आधार पर ही करते हैं ?

कार्यक्रम कार्यान्वयन मंत्री (श्री ए० बी० ए० गनीखान चौधरी) : (क) जी, नहीं।

(ख) प्रश्न ही नहीं उठता।

डा० रत्नाकर पाण्डेय : मान्यवर, सभापति जी, मंत्री जी ने जो उत्तर दिया है, उस उत्तर में हिन्दी में "जी हाँ" लिखा हुआ है और अंग्रेजी में "No Sir," लिखा हुआ है। इसमें कौन सा उत्तर सही है ? यह मैं जानना चाहूँगा।

MR. CHAIRMAN: I think the Minister must take a little more care in giving answers. In the Hind version it says— "जी, हाँ" In the English version, it says: "No Sir."

SHRI PARVATHANENI UPENDRA: You can take it either way.

SHRI A.B.A. GHANI GHAN CHOU-DHURY: Sir, the question is very peculiar. So far as part (a) of the question is concerned, it is all right. So far as part (b) of the question is concerned, it is not all right because we do not monitor any State project or anything. So, I am unable to answer about the State Projects.

SHRI K. MOHANAN: Part (a) also concerns the State Government. For that it is 'yes' and for the second it is 'no'.

SHRI VIRENDRA VERMA: Which one is correct, the English version or the Hindi version?

MR. CHAIRMAN: Please look at the Hindi and English answers to the question. In Hindi you say "जी हाँ" and in English you say 'No Sir'. How do you reconcile that? I want to know whether it is 'yes' or 'no'.

SHRI A.B.A. GHANI KHAN CHOU-DHURY: To the question whether we have set up any agency or not, I have said 'No Sir' to that.

MR. CHAIRMAN: But in the Hindi version, you have said "जी हाँ" So, unfortunately the Hindi version is wrong. Now, supplementary please.

डा० रत्नाकर पाण्डेय : सभापति जी, मैं यह जानना चाहता हूँ माननीय मंत्री महोदय से कि जो राज्यों से प्रतिवेदन प्राप्त होते हैं, उसकी सत्यता की जांच के लिए कार्यक्रम कार्यान्वयन मंत्री जी क्या उपाय मंत्रालय की ओर से किए हुए हैं ? या जो प्रस्ताव राज्यों की ओर से आते हैं, उसी को सही मान कर स्वीकार कर लिया जाता है ?

SHRI A.B.A. GHANI KHAN CHOU-DHURY: Different proposals go to different Departments. Actually, the proposals do not go to the Implementation Department. Nodal Departments are there and those proposals go to those departments. Those departments examine the merit of the proposals and then they release the money. As a