

Prosecution for frauds regarding direct taxes

1341. SHRI J. K. JAIN: Will the Minister of FINANCE be pleased to state:

(a) the number of persons prosecuted for frauds in respect of direct taxes during the last three years, i.e. 1977-78, 1978-79 and 1979-80; and the number of persons imprisoned;

(b) what was the total amount of arrears as on 31-3-1979 and 31-3-1980;

(c) whether it is a fact that some arrears were written off as irrecoverable during the last three years; and

(d) if so, what is the amount involved?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAJANBHAI BAROT): (a)

Financial Year	No. of persons prosecuted for fraud	No. of convictions obtained
1977-78	132	13
1978-79	118	17
1979-80	116	29

Information regarding the number of persons imprisoned is not readily available.

(b) The arrears of direct taxes as on 31-3-79 and 31-3-80 were as under:—

(In Crores of Rs.)

	As on 31-3-79	As on 31-3-80
(1) Income-tax (including Corporation-tax)		
(i) Tax-in-arrears	554.90	589.66
(ii) Demands created but not fallen due for collection	355.74	422.20
Total outstanding demands	910.64	1011.86 (Provisional)
(2) Interest Tax	0.23	Not readily available
(3) Wealth Tax	184.08	180.53
(4) Gift Tax	17.72	15.78 (Provisional)
(5) Estate Duty	17.11	17.23 (Provisional)

(c) and (d) Yes, Sir. The arrears written off during the last three years were as under:—

(Amt. in lakhs of Rs.)

Year	Income Tax	Wealth Tax	Gift Tax	Estate Duty
1977-78	1318.71	14.79	0.58	Nil
1978-79	2176.07	4.09	0.05	Nil
1979-80	1054.54*	Not available	Not available	Not available

*Provisional.

The requisite information in respect of Wealth-tax, Gift-tax and Estate Duty for the financial year 1979-80 is being collected and will be laid on the Table of the House as early as possible.

Destruction of counterfeit money

1342. DR. RAFIQ ZAKARIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a report published in the "Hindustan Times", dated July 25, 1980, regarding destruction of both black money and counterfeit money;

(b) if so, what is the nature of this counterfeit money and how is it circulating; and

(c) what steps Government are taking to destroy this counterfeit money?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MANGANBHAI BAROT): (a) Yes, Sir.

(b) and (c) Counterfeit money in this context appears to mean fake notes. According to the information received from the Central Bureau of Investigation the total number of fake note cases registered in the country during the period from 1-4-1979 to 31-3-80 was 295.

The law provides for deterrent punishment for offences relating to counterfeiting of currency notes. The State Police authorities keep a constant vigil in this regard and organise raids on information about counterfeiting being done by any person. The Central Bureau of Investigation also keeps the problems of counterfeiting of currency under continuous study by keeping records of different techniques adopted and by reviving periodically the appearance of counterfeit Indian currency. A 'Cell' has also been created in their Economic Offences Wing to undertake investigations of serious offences of counterfeiting currency and

co-ordinate the investigations in the States.

Black-money, which is different from counterfeit money, refers only to the amount of income which though taxable, is not disclosed to the tax authorities for purposes of taxation. The Government are generally aware of the increase in black-money over the years. The Government propose to curb the growth of black money through multi-pronged action of more effective implementation of tax laws and launching drive against hoarding and profiteering.

Trade agreements

1343. SHRI SYED SHAHABUDDIN: Will the Minister of COMMERCE be pleased to state:

(a) the names of the countries in South, South-east and West Asia, region-wise, with which we have no trade agreement or protocol or agreed programme;

(b) whether the lack of a trade agreement or protocol is a disincentive for the promotion of bilateral trade;

(c) whether any existing agreement with any country in the region provides for preferential terms of trade between the parties;

(d) if not, whether any proposal for according preferential terms to any country or countries in the region is under consideration or negotiation as a first step towards creating a South Asian common market; and

(e) whether our adherence to the GATT in any way obstructs such preferential arrangements?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) to (e) A statement is attached.

Statement

(a) *South Asia Region.*—Pakistan and Maldives.