

it will be considered whether licences should not be suspended as circumstances require.

SHRI M. VALIULLA: It was stated in answer to my unstarred question No. 50 that it had come to the notice of the Government that in the three districts of Ganganagar, Sawai Madhopur and Chittorgarh fire-arms were held by anti-social elements. May I know what steps have been taken by the Government to recover the fire-arms from these people? Are they laying roads where places are inaccessible, are they giving any rewards to people giving information and are they increasing the strength of the police staff?

DR. K. N. KATJU: I shall consider most carefully all the steps which my hon. friend has suggested and will send them on for consideration and compliance by the State Government. Otherwise, I said that enquiries were being made. I shall be obliged for any information that my hon. friend can supply me.

SHRI M. VALIULLA: The question refers to fire-arms in the hands of anti-social elements. I want to know as to wherefrom they get these fire-arms.

PROF. G. RANGA: From Pakistan.

SHRI M. VALIULLA: Or from Andhra?

DR. K. N. KATJU: Unfortunately both social elements and anti-social elements are found side by side in this country everywhere.

MR. CHAIRMAN: Throughout the land?

SHRI C. G. K. REDDY: In the Cabinet also?

DR. K. N. KATJU: We are trying to do this as best as we can.

REWARDS FOR UNEARTHING CONCEALED INCOME

***335. SHRI M. VALIULLA:** Will the Minister for FINANCE be pleased to state:

(a) whether rewards are offered to persons who help in the unearthing of concealed income;

(b) if so, how much has been distributed by way of reward since 1st January, 1952; and

(c) what was the highest and the lowest rewards awarded in 1952?

THE DEPUTY MINISTER FOR FINANCE (SHRI M. C. SHAH): (a) No, Sir. No such offers are made. But requests for rewards are considered.

(b) Rs. 1,15,225.

(c) Highest reward Rs. 15,000.

Lowest reward Rs. 100.

SHRI M. VALIULLA: May I know the total amount unearthed?

SHRI M. C. SHAH: The total amount unearthed by the Investigation Commission or otherwise?

SHRI M. VALIULLA: By the Investigation Commission and otherwise.

SHRI M. C. SHAH: The total amount unearthed by the Commission up to 31st July 1953 is Rs. 49,09,13,648. Disclosures up to the 30th June 1953 total Rs. 79,89,47,000.

SHRI M. VALIULLA: Were any prosecutions launched against the people concerned?

SHRI M. C. SHAH: There were certain cases which were investigated by the Income-tax Investigation Commission. Before the Commission, there were certain settlement cases and certain investigated cases, and wherever the Income-tax Investigation Commission thought it fit and proper, they have levied penalties. As far as the disclosures are concerned, up to the end of 1951 or so no penalty

was levied and thereafter, wherever necessary, penalty has been levied under the Income-tax Act.

SHRI H. P. SAKSENA: May I know how much tax was recovered by the Government on these unearthed incomes?

SHRI M. C. SHAH: So far as the Income-tax Investigation Commission is concerned, the tax levied was Rs. 25,13,44,764, and the tax collected was Rs. 7.95 crores. So far as voluntary disclosures are concerned, the tax levied amounted to Rs. 11,26,52,000 out of which Rs. 7,76,70,000 have been collected.

SHRI H. P. SAKSENA: What are we going to do about the arrears?

SHRI M. C. SHAH: So far as the Income-tax Investigation Commission is concerned, instalments have been given to collect those assessments. The time given is between one year and 9 years according to the case and with regard to others also, some time is given and if there are still arrears to be recovered without time being given, we are just trying to have establishments for the purpose. There are already establishments in Bombay, Calcutta and other places and these arrears will be collected as if they were land revenue arrears and they are trying to accelerate the recovery of all these taxes.

SHRI M. P. N. SINHA: Are these people who are helping in this unearthing business getting any salary?

SHRI M. C. SHAH: They get rewards. If the information is helpful, if there is further effort on the part of those persons to locate the unearthed income, when the tax is realized out of those assessments which may have been levied because of those unearthed incomes.....

MR. CHAIRMAN: No salary is paid—that is what he means.

SHRI M. P. N. SINHA: Do you keep a list of those persons who are engaged in this work?

SHRI M. C. SHAH: No. We don't ask those people to come forward. If there are requests, we consider those requests.

MR. CHAIRMAN: What he asks is, do you have lists of persons who have assisted you in the past, who are expected to assist you in the future?

SHRI M. C. SHAH: No.

SHRI M. P. N. SINHA: Do you keep it?

SHRI M. C. SHAH: No.

SHRI M. P. N. SINHA: Suppose a new man wants to help you in this matter, how will he do it?

SHRI M. C. SHAH: Many a time he writes to the Minister himself. Some times he writes to the Central Board of Revenue. The man is called and an interview is granted and if there is any substance in the information given, the matter is pursued and the question is taken up.

SHRI V. K. DHAGE: My question is this. The Minister said that Rs. 50,000 was paid.....

SHRI M. C. SHAH: It was Rs. 1,15,000.

SHRI V. K. DHAGE: What was the income that was unearthed for which this amount was paid?

SHRI M. C. SHAH: I cannot have that figure. There are certain rules and there is a maximum percentage fixed.

SHRI B. C. GHOSE: What is the maximum percentage?

SHRI C. G. K. REDDY: 2½ per cent.

SHRI M. C. SHAH: The maximum is 2½ per cent of the income unearthed.

SHRI C. G. K. REDDY: I am one of the informers.

MR. CHAIRMAN: He knows it because he has been involved in the matter!

SHRI V. K. DHAGE: What were the steps taken by the Government against those people who gave false returns?

SHRI M. C. SHAH: As I said, there are certain provisions in the Income-tax Act which empower the Central Board of Revenue to levy penalties and the Central Board of Revenue imposes penalties whenever there is a case of unearthed income.

SHRI V. K. DHAGE: Apart from penalties, do the Income-tax laws prescribe anything for making a false statement in the returns?

SHRI M. C. SHAH: There are certain provisions.

SHRI V. K. DHAGE: Are Government taking any steps in that direction?

SHRI M. C. SHAH: We have already levied fines and penalties. That is the action taken.

SHRI K. C. GEORGE: Have Government received a report from one Mr. V. G. Rao, Bar-at-Law, M.L.C. about a particular case—The East Asiatic Company, a Danish Company, working in Madras?

SHRI M. C. SHAH: I cannot just tell that offhand. There are so many letters received.

SHRI O. SOBHANI: Are Government prepared to publish the names of these people who were concealing their income?

SHRI M. C. SHAH: The Income-tax Investigation Act prohibits us from doing that.

SHRI K. SURYANARAYANA: Are these rewards taxable?

(No reply.)

SHRI M. VALIULLA: May I know whether Government is aware that the concealed amount is black-market money or from speculation?

SHRI M. C. SHAH: We cannot say. It may be black-market money, it may be otherwise. It can be evasion—we cannot say. We have not got the information.

REBATE ON AVIATION SPIRIT

*336. SHRIMATI SHOILA BALA DAS: Will the Minister for FINANCE be pleased to state:

(a) whether there is any special reason for allowing full rebate of the customs duty on aviation spirit uplifted in India by aircraft of Pakistan on outward flight; and

(b) whether such rebate is granted on a reciprocal basis?

9 A.M.

THE DEPUTY MINISTER FOR FINANCE (SHRI A. C. GUHA): (a) and (b). Till recently full rebate of Customs duty on aviation spirit uplifted in India by aircraft of all nationalities (including Pakistan) proceeding to foreign destinations other than to or via Pakistan was being granted. With effect from the 15th June 1953 the concession has been extended on a reciprocal basis also to flights to and via Pakistan. There is however no special concession allowed exclusively to aircraft of Pakistan nationality which is not enjoyed by others.

SHRI GOVINDA REDDY: Since when are these special concessions being extended and what are the reasons?

SHRI A. C. GUHA: This is not a special concession. This is according to the International Agreement. All aircraft get this concession. It is according to the International Agreement of 1939. After partition, in an Inter-Dominion Conference, Pakistan refused to give this concession to India and so India had to withhold this concession. Then very recently,