

**Tax and penalty recovered from indian account holders in Swiss banks**

\*123. SHRI M.P. ACHUTHAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government has recovered any amount from Indian account holders in Swiss banks on account of tax and penalty/or holding illegal accounts abroad; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY) : (a) and (b) A Statement is laid on the Table of the House.

***Statement***

Appropriate action against evasion of taxes including by way of holding unreported bank accounts in Swiss banks, is an on-going process. Such action under direct tax laws includes searches, surveys, enquiries, assessment of income, levy of taxes, penalties, etc. and filing of prosecution complaints in criminal courts, wherever applicable. Such taxes, penalties, etc. form part of the total tax liability of each assessee and is enforced accordingly. Amounts collected are not allocated to liability arising from foreign accounts and other tax liabilities and, therefore, separate data for these are not maintained.

SHRI M.P. ACHUTHAN: Sir, the reply clearly shows as to how the Government is so callous about dealing with the issue of black money. I never expected such a reply from the hon. Minister, Shri Arun Jaitley. The reply says that no separate data is maintained with regard to the moneys we have got from taxes and penalties.

Sir, we have got a Special Investigation Team (SIT) under the Supreme Court's directions. Sir, in an interview with the 'Times of India' last month, the Vice-Chairman of the SIT, Justice (Retd.) Arijit Pasayat, said that we have already got ₹ 3,500 crores, and, by March 31st, we will be getting ₹ 6,500 crores also, totaling ₹ 10,000 crores as penalties and tax arrears. This shows that the Ministry of Finance is not maintaining a separate account. They are in dark. When the SIT is saying that they have got the numbers...

MR. CHAIRMAN: What is the question?

SHRI M.P. ACHUTHAN: Sir, I would like to know whether there is any

coordination between the Finance Ministry and the SIT in the matter of black money. Sir, the Government is not serious in bringing out the black money. This is my question. Please reply to this.

SHRI ARUN JAITLEY: Mr. Chairman, Sir, at the very outset, let me assure the hon. Member that we are more serious about this issue than any Government in the past, and, I will explain the fact that the reply should be understood in the correct perspective.

The question is with regard to the moneys lying in the Swiss Bank Accounts which have been brought to the notice of the Central Government. The SIT has been appointed by the Supreme Court. The Department of Revenue actively coordinates with the SIT, and, therefore, the officers of the Department of Revenue—the Revenue Secretary; the Advisor from the Department of Revenue; the Chairperson, CBDT; and the Chairperson, CBEC—all assist the SIT in coming to that conclusion.

With regard to those people whose names were there in the HSBC list, assessments are made with regard to their incomes. Now, those incomes may include their incomes of assets and businesses within the country as also the incomes with relation to the accounts or the assets which were kept outside the country. It is one single composite assessment that is made. The details with regard to each income which is assessed separately outside the country is not separately maintained and tabulated because it is common assessment. It is in this context that the reply should be understood.

As far as the Department is concerned— and the hon. Chairman of the SIT has made an observation -- when 628 names in that list came, the first task was to identify who these 628 people are because in a large number of cases only the name was mentioned and no other details were mentioned. Now, a large number of them were identified. After they were identified, the details of the accounts, we are making an effort to get all the information. By the 31st of March, the assessments with regard to those people are to be completed. Now, we have, in this process, found out that the total income, which is evaded, is to the extent of about ₹ 3,250 crores for which there is a tax impact and that assessment is being completed. In more than two hundred of those cases assessments have been completed, demands have been placed on them and penalties have been imposed on them. In some cases, the recoveries have been made. Additionally, in about seventy-seven of those cases, criminal prosecutions have already been filed in courts. Now, the details of each one of them are with us. But, normally, individual assessments are not disclosed except to the court concerned where the prosecutions are filed. Therefore, that procedure, in accordance with all our international obligations and treaties, because we have to get information from

outside the country also, while complying with them all efforts are being made, let me assure the hon. Member that nobody, who is a part of that HSBC list, against whom the evidence is now forthcoming, is going to be spared in this exercise.

SHRI M.P. ACHUTHAN: The SIT has made some recommendations to deal effectively with black money. One is that the tax evasion be made a prosecutable offence. What is the reaction of the Ministry? There is misinvoicing of import and export business and to deal with it, an independent unit, a separate unit must be formed. What is the reaction of the Finance Ministry?

SHRI ARUN JAITLEY: Sir, I am grateful to the hon. Member. The SIT has been making monthly recommendations which are sent by the SIT to the Supreme Court. The SIT has made a recommendation to the Government of India also with regard to tightening of our law, both with regard to generation of black money domestically and with regard to keeping black money outside this country. Those recommendations have come. If the hon. Member would have followed – I am sure he has – in the Budget this year I have already outlined some of the measures which we are taking in this regard. A very large number of those measures are also on the recommendations of the SIT. The Government has proposed to introduce in this very Session of Parliament a separate law with regard to black money generation, particularly, with regard to moneys being kept outside the country. Now, there is a proposal to make certain deterrent punishments with regard to those people who are involved in that process. The amount of penalties is intended to be increased.

There is also a proposal – and these are all part of the Budget speech itself – that we will make keeping a foreign asset without permission, illegally, as a predicate offence for the purposes of money laundering. Those stiff measures which we have announced in the Budget document itself, are based substantially on the recommendations of the SIT itself.

MR. CHAIRMAN: Shri Digvijaya Singh.

SHRI DIGVIJAYA SINGH: Thank you, Sir. The issue of black money stashed abroad has been one of the most hotly debated issues in the last election. There have been wild assessments made by different agencies about the quantum of money stashed abroad ranging from ₹ 40,000 crores – ₹ 70,000 crores to ₹ 4,00,000 crores to ₹ 40,00,000 crores, which, of course, prompted the Prime Ministerial candidate of the BJP to promise ₹ 15,00,000 to every citizen, once the black money comes back in hundred days. Sir, I just want to know from the hon. Minister whether the Government of India has made any assessment of the quantum of black money stashed abroad.

SHRI ARUN JAITLEY: Sir, there are various assessments which are made but in the absence of any particular authenticity with regard to those assessments, since statements made in this House are sacrosanct, I am not going to commit myself only to a speculative figure. Since the hon. Member is deeply concerned with this issue of people keeping black money outside this country and action being taken against them, I can only tell, and as I have indicated with regard to each of the names, the 628 names came in the HSBC list, the names have come in the Liechtenstein list, and there is an additional list which the international consortium of journalists has brought out; the names are mostly overlapping with the HSBC list, plus, there are other stray names with regard to whom information is coming to the Government. In each of those cases, whatever is the maximum action in terms of prosecution, in terms of assessment and in terms of recovering the moneys through tax levies as also penalties, that action is entirely being taken.

SHRI SUKHENDU SEKHAR ROY: Sir, through you, I would like to know from the hon. Finance Minister, in view of the huge black money allegedly stashed outside India, whether the Government is contemplating any legislation to impose a ban in opening bank accounts outside the country by Indian citizens excepting those who are employed outside India.

SHRI ARUN JAITLEY: Sir, as I have said, the legislative jurisdiction of Indian Parliament has its own territorial limitations. Our laws apply within our country and with effect to our citizens. Accounts can be opened outside the country either by non-resident persons or persons who are employed outside or even by resident Indians with the prior permission of the Reserve Bank of India. In today's world of international trade when Indian companies are going outside and acquiring assets abroad, you will find Indian tax assessees, including companies, having accounts outside India with the legitimate permission of the Reserve Bank of India. A ban obviously cannot be imposed on them because that is the way international trade functions. But there is an implicit ban on holding an account outside India without the prior permission of the Reserve Bank of India because that itself is a criminal offence offending laws like FERA or FEMA now. But in the proposed legislation that we are making, we are making it more stringent. Holding that asset outside India is also intended to be made a predicate offence for the purposes of the money laundering law.

SHRI KIRANMAY NANDA: Sir, I would ask one question. On what basis did the Prime Minister announce that 15 lakh rupees would be deposited to everybody's account?

SHRI ARUN JAITLEY: Sir, there are, as I indicated, various versions of the

quantum of moneys. And it is an illustrative statement which indicates that if any of those versions are accepted which indicate a higher amount of black money lying outside India, then *pro rata* that is the benefit accrues to the citizens of India. It is a statement which has been made by several people in that context and it must be taken entirely in that context.

#### **Transfer of air routes by Air India**

\*124. DR. BHALCHANDRA MUNGEKAR : Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) the number of domestic and international routes transferred by Air India to the private airlines during the last three years and the details thereof ;
- (b) the reasons for such transfer; and
- (c) the effect of such transfer on the profitability of Air India?

THE MINISTER OF CIVIL AVIATION (SHRI ASHOK GAJAPATHI RAJU PUSAPATI): (a) to (c) A Statement is laid on the Table of the House.

#### ***Statement***

(a) Air India did not transfer my domestic and international routes to any private airlines during the last three years.

(b) and (c) Do not arise in view of (a) above.

DR. BHALCHANDRA MUNGEKAR: Sir, the statement given by the hon. Minister is absolutely satisfactory and true to the facts. But with your kind permission, I must raise a question. I will take just half a minute. A few years ago, Chairman of the Singapore Airlines Corporation mentioned, "One day I want to convert Singapore Alliance into Air India." And over a period of time, we have seen that Air India has been completely in the mess. I was under the presumption that over a period of time, some of the routes of Air India which were profitable were diverted to private airlines. The statement given here by the hon. Minister says that during the last three years, no routes were transferred.

Sir, I want to know this, through you, from him. What are the total liabilities of Air India, of course, including Indian Airlines today; and are they increasing over a period of time?

MR. CHAIRMAN: The question is about routes, not the liabilities.