

under Differential Rate of Interest Scheme. Ordinarily banks are advised to dispose such an application when received within four to six weeks.

Reserve Bank of India had constituted early this year a Working Group to examine *inter-alia* tasks of the banking system in the context of the new 20-Point Programme. The Group has since finalised its deliberations. The existing system and procedures for advances to weaker sections including beneficiaries of the new 20-Point Programme will be further strengthened and streamlined, where necessary, in the light of the recommendations of the Group.

Financial assistance to sick units of Assam

1435. SHRI ROBIN KAKATI: Will the Minister of FINANCE be pleased to state:

(a) what is the number of applications from sick and closed Industries of Assam for financial assistance received by the Industrial Reconstruction Corporation of India together with the names of such units and the amount of assistance sought by each of them, upto the end of May, 1982; and

(b) what is the amount of assistance so far granted by the Industrial Reconstruction Corporation of India and the names of the units which have received such assistance?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b) Since its inception in April, 1971 and till the end of May, 1982, the Industrial Reconstruction Corporation of India (IRCI) has received 13 applications from various sick industrial units located in the State of Assam. The names of those units together with assistance sought from IRCI are given in the statement. On the basis of the assessment of requirements of the applicant units, IRCI has

so far sanctioned Rs. 3.20 lakhs to one unit viz. AUied Chemical Industries, Gauhati and disbursed Rs. 2.31 lakhs.

Statement

(Rs. in lakhs)

Name of the unit	Amount Sought from IRCI
1. Frutos and Company, Gauhati.	3.00
2. Associated Industries (Assam) Ltd., Kamrup.	N.S.
3. North Eastern Chemical Industries Pvt. Ltd., Gauhati	N.S.
4. Assam Hard Board Ltd., Kamrup.	40.00
5. Everest Cycles Ltd., Gauhati	25.00
6. United Coloures and Chemicals Private Ltd., Assam.	N.S.
7. Meenaskhi Wire Industries Ltd., Gauhati.	15.00
8. Allied Chemical Industries Gauhati.	N.S.
9. Century Engineering Works Gauhati.	N.S.
10. Naharkatia Brick Works Ltd., Duliajan.	N.S.
11. Assam Pharma Company Industrial Estate, Jorhat.	5.00
12. Chemical and Pharmaceuticals India, Gauhati.	3.00
13. Gauhati Press Private Ltd Gauhati.	N.S.

N.S. : Denotes 'Not Specified'

Tax on the 'Time Magazine'

1436. SHRI DHULESHWAR MEENA: Will the Minister of FINANCE be pleased to state:

(a) whether a controversy has recently been raised in the USA. on the eve of Prime Minister's impending visit about the levy of tax on the

'Time Magazine' news bureau functioning in India;

(b) if so, what are the details in this regard; and

(c) what action Government of India have taken to dispel the wrong impression created in the American Press?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAISINGH SISODIA): (a) Yes, Sir. A controversy has recently been raised in U.S.A. on account of an editorial in New York Times entitled "India's Tax on the News" reproduced in the International Herald Tribune in its issue of June 18, 1982 in which it has been stated that India contends that Time Magazine profits from the news it gathers in the world's largest democracy and wants to tax the gain.

(b) M/s. Time Inc., a non-resident company incorporated in USA, has a news bureau in India as part of its Time Life News Service. The main function of this bureau is to collect news as well as views and report to Time and other magazines for publication. This bureau has been functioning in New Delhi since 1964. Assessment proceedings in the case of Time Inc. were initiated for the first time for the assessment year 1973-74 when a notice calling upon the taxpayer to furnish the return of income was served on 13-11-73. Subsequently, assessment proceedings were started for several years, i.e., assessment years 1967-68 to 1981-82. Till now assessments have been completed for 12 years, i.e., upto the assessment year 1979-80. The appeal filed by the taxpayer for the assessment year 1975-76 has not only been rejected by the Commissioner of Income-tax (Appeals) but also by the Income-tax Appellate Tribunal, which is an independent body under the Ministry of Law. The matter is now pending in the High Court. It appears that there is no dispute regarding the quantum of income as the taxpayer had conceded before the Income-tax

Appellate Tribunal in the appeal for the assessment year 1975-76 that if any income was taxable in India, the quantum thereof, as estimated by the Income-tax authorities, was not disputed. The only point in dispute is whether any income can be said to accrue or arise to Time Inc. in India within the meaning of section 9(1) of the Income-tax Act, 1961. The Income-tax Appellate Tribunal has held that the collection of news and views is an integral part of the various activities of a news magazine and any establishment which systematically gathers information and reports it back has to be held as an integral part of the entire organisation. It has further held that the income attributable to the operations carried out by the taxpayer in India accrues or arises in India and is accordingly taxable in India.

(c) The matter is under consideration of Government.

Legislation to curb tax evasion smuggling etc.

1437. SHRI IBRAHIM KALANIYA: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to bring forward a legislation with a view to curbing tax evasion, adulteration, black-marketing, smuggling, hoarding etc.; and

(b) if so, by when the proposed legislation is likely to be brought forward?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAISINGH SISODIA): (a), and (b) Appropriate legislative provisions already exist for curbing tax evasion, adulteration, black-marketing, smuggling, hoarding; etc. The enforcement of the various enactments is kept under constant watch and suitable legislative and other measures are taken, as and when considered necessary.