

to (c) There has been a spurt of traffic at Trivandrum due to movement of passengers between Kerala and the Gulf countries. As the existing terminal building is inadequate to cope up with the increased traffic requirements, the terminal building is being extended at a cost of Rs. 12 lakhs and the work is expected to be taken up shortly. When it is completed, it would be adequate to meet the present traffic requirements.

While Government have no proposal, at present to construct a new terminal building, further improvements to the terminal building are proposed to be taken up in the next Five Year Plan, (1978—83).

Negotiations with E.E.C. on ban on Indian textiles

100. SHRI LAKSHMANA MAHA-PATRO:

SHRI INDRADEEP SINHA:
SHRI BHUPESH GUPTA:

Will the Minister of COMMERCE AND CIVIL SUPPLIES AND CO-OPERATION be pleased to state:

(a) whether a Government sponsored delegation visited Brussels recently to negotiate, with the representatives of the European Economic Community, the question of lifting the restrictions on the import of Indian textiles, especially handlooms and handloom garments; and

(b) if so, what are the details of the discussions held and what is the outcome of the visit?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND CIVIL SUPPLIES AND CO-OPERATION (SHRI KRISHNA KUMAR GOYAL): (a) and (b) Yes, Sir. The delegation was deputed for talks with European Economic Community on the new bilateral textile agreement between India and EEC, to be effective from January 1, 1978. The EEC did not secure mandate from member countries, in the absence of which the formal negotiations could

not commence. Meanwhile, the EEC representatives indicated the framework of the proposed agreement. As many far-reaching aspects have arisen in these proposals, Government have considered it necessary to go into these proposals carefully before commencing formal negotiations.

The negotiations are expected to begin shortly.

12 NOON

STATEMENT BY MINISTER CORRECTING ANSWERS TO UNSTARRED QUESTIONS NOS. 384 AND 429 ANSWERD ON THE 22ND AUGUST, 1977

I. Tax Paid by Birla Group of Companies

II. Special Cell to investigate tax evasion

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): sir, with your permission, on behalf of my colleague, Shri Zulfiqarullah, Minister of State for Direct Taxes, I beg to make a statement. This statement is regarding corrections to certain answers given to Unstarred Question No. 384 regarding Tax paid by the Birla Group of Companies and No. 429 regarding Special Cell to investigate tax evasion.

Sir, in reply to part (a) of the Unstarred Question No. 384 in the Rajya Sabha on the 2nd August, 1977 on tax paid by the Birla Group of Companies during the financial years 1974-75, 1975-76 and 1976-77, it was, *inter-alia* stated as under:

"Information regarding the amount of Income-tax paid by 152 companies of the Birla Group is furnished in the annexed statement".

It has been brought to my notice that there are certain typographical

errors in the statement annexed to the reply referred to above, in respect of 4 companies. The figures men-

tioned in the reply already given and the correct figures are noted below against each company:—

Sl. No. in the annexure to the reply	Name of the Company	Financial year during which tax paid	Figure mentioned in reply already given	Correct figure
(In thousands of Rs.)				
5	Punjab Produce and Trading Co. Ltd.	1976-77	166	106
20	Jiyajee Rao Cotton Mills Ltd.	1974-75	181183	18183
30	Birla Jute Manufacturing Co. Ltd.	1974-75	28820	28320
119	Daggar Forest Tools Ltd.	1976-77	171	1471

Again in reply to part (a) of the Unstarred Question No. 429 in the Rajya Sabha on the 2nd August, 1977 in respect of Mitsui Bank it was stated as under :

“The assessment for 1974-75 has been completed on a total income of Rs. 11,14,904/- as against the returned income of Rs. 2,62,830. It was found that the Bank had not shown interest of Rs. 2,18,234 on securities deposited with the Reserve Bank of India in London. This interest was remitted to India and paid by the Reserve Bank to the Mitsui Bank, and hence this amount was added in the assessment. A sum of Rs. 1 lakh has also been added in view of low rate of exchange adopted for inter-branch transactions. Penalty proceeding for evasion of tax has also been initiated.”

It has been brought to my notice that the above reply was incorrect. On the date of reply, the assessment for the assessment year 1974-75 had been proposed to be completed on a total income of Rs. 11,14,904 as against the returned income of Rs. 2,62,830 as per draft assessment order forwarded by the Income-tax Officer, to the Inspecting Assistant

Commissioner under section 144B(4) of the Income-tax Act, 1961.

The said assessment has since been completed on a total income of Rs. 11,14,904/- . Penalty proceeding for concealment of income has also been initiated.

Soon after reply to the above question was given in the House, the House adjourned *sine-die* and reconvened on 14-11-1977. In the meantime, the error in the reply was pointed out to the Government. The correct position was ascertained from the lower authorities and this took time.

SHRI B. N. BANERJEE (Nominated): May I make a suggestion? It has been the practice that whenever there is a correction to be made in respect of a Starred Question answered on the floor of the House or supplementaries thereto, the Minister will make an oral statement correcting the answer. But when it is a question of correcting the answer given to an Unstarred Question laid on the Table of the House, it will be in the fitness of things if the Minister lays the statement on the Table of the House. This will save the time of the House.

SHRI SATISH AGARWAL: I have no objection to this suggestion.

SHRI N. G. RANGA (Andhra Pradesh): We cannot accept this suggestion in view of the fact which has been revealed here. Instead of a figure of Rs. one crore and eighty lakhs or so, it was put down here as Rs. 18 crores. We, in this House, should be able to know the enormity of the mistakes which these civil servants and Minister are capable of committing.

INTRODUCTION OF MINISTERS

THE PRIME MINISTER (SHRI MORARJI R. DESAI): Sir, I have the pleasure in introducing to you and, through you, to the House, my colleagues :

1. Shri Chand Ram, Minister of State in charge of the Ministry of Shipping and Transport.
2. Shri S. D. Patil, Minister of State in the Ministry of Home Affairs.
3. Shri Bhanu Pratap Singh, Minister of State in the Ministry of Agriculture and Irrigation.
4. Shri Zulfikarullah, Minister of State in the Ministry of Finance.

PAPERS LAID ON THE TABLE

Refined Groundnut Oil (Regulation of Refining and Price) Control Order, 1977

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND CO-OPERATION (SHRI MOHAN DHARIA): Sir, I beg to lay on the Table, under sub-section (6) of section 3 of the Essential Commodities Act, 1955, a copy (in English and Hindi) of the Ministry of Civil Supplies and Co-operation Notification S.O. No. 602(E), dated the 1st August, 1977, publishing

1120 RS—5.

the Refined Groundnut Oil (Regulation of Refining and price) Control Order, 1977, [Placed in Library. See No. LT-1086/77].

I. Finance Accounts (1975-76) of the Union Government.

II. Report (1976) on the Working of the Deposit Insurance Corporation and related Paper.

III. Report (1976-77) and Accounts of the Delhi Financial Corporation and related Paper.

IV. Report (ending June 30, 1977) on the Working of the Agricultural Refinement and Development Corporation, Bombay and related Paper.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): Sir, I beg to lay on the Table :

I. A copy (in English and Hindi) of the Finance Accounts of the Union Government for the year 1975-76, under clause (1) of article 151 of the Constitution. [Placed in Library. See No. LT-1032/77].

II. A copy (in English and Hindi) of the Fifteenth Annual Report on the working of the Deposit Insurance Corporation for the year ended the 31st December, 1976, together with the Audited Accounts, under sub-section (2) of section 32 of the Deposit Insurance Corporation Act, 1961. [Placed in Library. See No. LT-1088/77].

III. A copy (in English and Hindi) of the Tenth Annual Report and Accounts of the Delhi Financial Corporation for the year 1976-77, together with the Auditors' Report on the Accounts, under sub-section (3) of section 38 of the State Financial Corporations Act, 1951. [Placed in Library. See No. LT-1089/77].

IV. A copy (in English and Hindi) of the Fourteenth Annual Report on the working of the Agricultural