

## RAJYA SABHA

Monday, the 19th December, 1977/the 28th<sup>1</sup> Agridhayana, 1899 (Saka) The House met at eleven of the clock, Mr. Chairman in the Chair

### ORAL ANSWERS TO QUESTIONS

#### Writ petitions regarding income-tax, wealth-tax and gift-tax cases in the Calcutta High Court

\*G91. SHRI KALYAN ROY:f

SHRI PHANINDRA NATH HANSDA: Will the Minister of LAW, JUSTICE AND COMPANY AFFAIRS be pleased to refer to the answer to Unstarred Question 178 given in the Rajya Sabha on the 12th January, 1976 and state:

(a) the number out of the 254 income-tax, 54 wealth-tax and 7 gift-tax cases in the Appellate side that have been deposed of by the Calcutta High Court till the end of November, 1977;

(b) the number out of the 87 income-tax, 33 wealth-tax and 1 gift-tax cases in the original side that have been disposed of by the above High Court till the end of November, 1977 and the details thereof;

(c) the number of appeals filed in the Supreme Court against the decisions of the Calcutta High Court; and

(d) the amount of legal expenses incurred by the Central Government in the High Court in the above and the cases and details thereof?

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHANTI BHUSHAN): (a) to (d). The information is being collected and will be laid on the Table of the House.

SHRI KALYAN ROY: Sir, it is a very good answer. This is in con-

fThe question was actually asked on the floor of the House by Shri Kalyan Roy.

tinuation of the question dated 12th January, 1976 and dated Hth April, 1977. Sir, the position in the Calcutta High Court is absolutely scandalous and unfortunately, a firm impression is gaining ground throughout the country that the judiciary there is heavily tilted towards big business and affluent class. The Calcutta High Court has been used to block investigation of all economic offences and crimes, by the Department of Company Affairs and by big business. My question is is it not a fact that the Calcutta High Court has become a solid shelter house for the rich income-tax dodgers? I would like to know what he is going to do with this number of cases which he has mentioned in relation of income-tax, wealth-tax and gift-tax, involving an amount of nearly Rs. 500 crores, evasion by big business houses. What steps is he going to take to dispose of....

AN HON. MEMBER: No step is going to be taken.

SHRI SHANTI BHUSHAN: On the 1st of April, 1977, shortly after this Government had taken over, at that time the number of vacancies in the Calcutta High Court was seven, three permanent and four additional. Since then many appointments have been made. All the vacancies have been filled up except for two. Even in respect of those two vacancies the names have been approved. As soon as their particulars are received, they will also be notified so that all the vacancies are filled up.

SHRI KALYAN ROY: This is no reply at all. Whatever he has...

MR. CHAIRMAN. No, no. You can put your...

SHRI KALYAN ROY: Sir, it is not the question. I am asking him, is it not a fact that these cases belong mainly to big business? I give you only one...

MR. CHAIRMAN: May be, but the point is...

SHRI KALYAN ROY: Who are the people involved in these cases, Sir?

Sushila Birla	• •	Rs. 18 lakhs
Suma'ngala Devi Birla	..	Rs. 14 lakhs
M. P. Goenga	..	Rs. 5 lakhs
Badrunnissa Khatur	..	Rs. 1 crore

There are the people involved in these cases. I am putting it to Mr. Shanti Bhushan: You yourself stated that this has become a malignant disease. You have also written to the Bar Councils. Only last week, Mr. Justice Krishna Iyer stated that there has been miscarriage of justice and it cannot be ruled out. "Would you please probe into the Calcutta High Court affairs as to why it is only the Calcutta High Court where nothing has been cleared in relation to wealth-tax, income-tax and gift-tax cases, particularly those relating to big business houses?

SHRI SHANTI BHUSHAN: The problem of delay in the administration of justice and the arrears in the High Courts and in other courts is engaging the most serious attention of the Government. Sir, I might give this information to the hon. Members of the House that I have addressed letters to all the Bar Councils in the country, to the Presidents of all the Bar Associations, the Supreme Court Bar Association, the High Court Bar Associations and the District Court Bar Associations. Sir, various proposals are being discussed; the Supreme Court itself is engaged in the matter of evolving ways by which this problem of delayed justice and arrears can be tackled, and I hope that very soon something would be done because, as I have said earlier, this is a very malignant disease, and it requires...

SHRI KALYAN ROY: Sir, have you seen this?

MR. CHAIRMAN: You are not allowed to put many, many questions. It is not a monopoly of yours.

SHRI KALYAN ROY: Sir, in Calcutta High Court, the cases are, income-tax 14; wealth-tax 4 and gift-tax 1; and disposals: nil,

MR. CHAIRMAN: You should slightly change your attitude. The arrears are there and he says that in order to clear up the arrears the vacancies are filled up. He has taken all possible action, and he has written to the Presidents of all the Bar Associations and done everything. What else do you suggest?

SHRI KALYAN ROY: Probe into the affairs of the Calcutta High Court which is tilted towards monopolists, and...

MR. CHAIRMAN: He has said very clearly that he is looking into it.

SHRI KRIPATI RANJAN CHOUDHURY: Sir, these cases relating to taxes are all pending in the Calcutta High Court. The question is not of arrears in the High Court. But the question is that cases of this particular nature are always kept pending in the Calcutta High Court. How is it so? Has the Minister taken note of it? If so, what steps is he going to take for the clearance of these cases?

SHRI SHANTI BHUSHAN: Sir, it is not a fact that all the tax cases are pending in the Calcutta High Court and none of them are disposed of. Here are some figures. In 1973-74, out of 70 rules issued in regard to income-tax on the appellate side, 52 were discharged, 11 were made absolute and 7 were otherwise disposed of. In wealth-tax there were 3 rules and all the 3 were discharged. In income-tax, on the original side out of 165 rules, 97 were discharged, 46 made absolute, 15 dismissed and 7 withdrawn. Similarly, in 1974 on the appellate side,

out of 90 rules 59 were discharged, 28 made absolute, 1 disposed of otherwise and 2 dismissed. I need not give all the figures. Cases are being disposed of. Therefore, steps are taken to clear up the arrears and to see that the administration of justice is not delayed

SHRI HARSH DEO MALAVIYA: Sir, the case of Mr. Birla...

MR. CHAIRMAN: Do not refer to any particular case.

SHRI HARSH DEO MALAVIYA: This was the point raised by Shri Kalyan Roy. Sir, Sir...

MR. CHAIRMAN: Do not follow him. You have got your own independent method of asking supplementaries.

SHRI HARSH DEO MALAVIYA: If you allow me, this question comes up again and again. The other day in this House there were many questions regarding an inquiry by the Sarkar Commission against the Birlas. The House demanded a discussion on this. Will you very kindly allow us to have a discussion about this whole affair of the Birlas and the Sarkar Commission which will cover also income-tax, wealth-tax, and...

MR. CHAIRMAN: You need not reply, because this does not arise out of this question wherein it has been asked as to how many cases have been disposed of. You must also be careful about putting questions.

SHRI NARASINGHA PRASAD NANDA: I would like to know the amount of tax which remains unrealised due to pendency of these cases under the Income-tax Act, Wealth-tax Act and Gift-tax Act.

SHRI SHANTI BHUSHAN: Sir, as I said even in regard to the question which has been asked, information is being collected and will be laid on the Table of the House.

### Railway's investment in the Road Transport Corporations

\*692. SHRI JAGDISH JOSHI  
SHRI JAGAN NATH BHAR.  
DWAJ: SHRI PIARE LALL  
KUREEL  
urfi PIARE LALL TALIB: SHRI  
KHURSHED ALAM  
KHAN:

Will the Minister of RAILWAYS be pleased to state:

(a) whether it is a fact that the Railways are not getting any return on their investment in the Road Transport Corporations;

(b) what is the total investment of the Railways in the Road Transport Corporations and what amount has been earned as dividend on this investment during the last three years; and

(c) whether Government propose to review their policy and conditions of investment in the Road Transport Corporations in the light of the experience gained so far?

THE MINISTER OF RAILWAYS  
(PROF. MADHU DANDAVATE): (a) No, Sir.

(b) The Central Government, through the Ministry of Railways, have invested Rs. 57.76 crores upto 31st March, 1977 in the capital of State Road Transport Corporations incorporated under Road Transport Corporations Act, 1950. These investments are interest-bearing loans and the interest to the tune of Rs. 2.31 crores, 3.00 crores and 3.32 crores was earned on these investments during 1974-75, 1975-76 and 1976-77 respectively.

(c) There is no such proposal.

The question was actually asked on the floor of the House by Shi; Jagdish Joshi.