

## RAJYA SABHA

Monday, the 19th December, 1977/the  
28th Agrahayana, 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

\*691. SHRI KALYAN ROY:†  
SHRI PHANINDRA NATH  
HANSDA:

Will the Minister of LAW, JUSTICE  
AND COMPANY AFFAIRS be pleas-  
ed 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 in-  
come-tax, 54 wealth-tax and 7 gift-tax  
cases in the Appellate side that have  
been disposed 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 deci-  
sions of the Calcutta High Court; and

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

THE MINISTER OF LAW, JUS-  
TICE 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-

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

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tinuation of the question dated 12th  
January, 1976 and dated 11th April,  
1977. Sir, the position in the Cal-  
cutta High Court is absolutely scand-  
alous and unfortunately, a firm im-  
pression 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 investi-  
gation of all economic offences and  
crimes, by the Department of Company  
Affairs and by big business. My ques-  
tion is, is it not a fact that the Cal-  
cutta 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 rela-  
tion of income-tax, wealth-tax and  
gift-tax, involving an amount of near-  
ly Rs. 500 crores, evasion by big busi-  
ness 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

Sumangala 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 NRIPATI RANJAN CHOU-DHURY: 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  
urf 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 Shri Jagdish Joshi.