

The increasing liberalisation of the Indian Import Trade Control Policy also brought into sharp contrast the need for diversifying and liberalising the import arrangements from Afghanistan. Both sides felt that trade in freely convertible and transferable currencies would lead to a considerable impetus in the growth rate.

Under the new Trade Agreement, the entire trade has thrown open. All items that can be exported or imported under the Import and Export Trade control policies are now eligible to be exchanged under the new system. In other words, it can be stated that there is a complete normalisation of trade between the two countries. Necessary facilitation, and co-operation, as well as arrangements for annual review, promotional activities have also been ensured under the Trade Agreement.

#### Visit of a trade team to Ireland

152 SHRI SYED AHMAD HASHMI: Will the Minister of COMMERCE, CIVIL SUPPLIES and CO-OPERATION be pleased to state:

(a) whether a trade team headed by Shri Raunaq Singh of Raunaq Enterprises recently visited Ireland to explore the possibilities of Indian investment in that country;

(b) if so, what potentialities were identified by the team there; and

(c) what follow up action Government propose to take to exploit the potential?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE, CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEG): (a) to (c) Department of Commerce is not aware of any trade team or a delegation sponsored by the Govt. which visited Ireland recently.

Shri Raunaq Singh of Raunaq Enterprises went to Ireland on a

business trip, and not as a member of any team or delegation sponsored by the Government of India.

#### Winding up of the Cell appointed to go into the tax cases of the Birlas.

153. SHRI ARVIND GANESH KULKARNI;  
SHRIMATI LEELA DAMODARA MENON;  
SHRI T. BASHEER;  
SHRIMATI USHI KHAN;  
SHRI GURUDEV GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Cell appointed to go into the income-tax, wealth-tax and other tax arrears due from the Birla Family has been wound up;

(b) whether this Cell was created on an assurance given by the previous Government on the complaint by a Member of Parliament against various financial offences/irregularities committed by the Birla family; and

(c) what is the final outcome as regards collection of arrears and disposal of the cases relating to the Birla Family?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) and (b) In the course of his reply to the debate on the Finance Bill, 1972, the then Finance Minister had indicated that the suggestion for creation of Special Cell for coordinating investigations in the cases of Large Industrial Houses would be examined. Accordingly a Special Cell was set up in the Directorate of Inspections (Investigation) of the Income-tax Department in October, 1972 to provide *inter-alia*, guidance and assistance to the assessing officers in the investigation of the cases of the Large Industrial Houses assigned to the Cell and in expediting collection of tax due from them. The Birla Group is one of the Groups assigned to the

Cell. There is no proposal for winding up the Cell, which continues to function.

(c) Rs. 56.55 crores were paid by the companies of the Birla Group during the financial year 1976-77. Income-tax amounting to Rs. 2.23 crores was due from the companies of this Group as on 15-7-77. This has been reduced to Rs. 0.82 crore as on 31-3-1978.

The total number of assessments which had either been finalised or for which drafts had been submitted by the concerned Income-tax Officers to their Inspecting Assistant Commissioners for their approval under section 144B of the Income-tax Act in cases belonging to the Birla Group during the financial year 1977-78 was 441. Most of the additions made/proposed to be made are disputed before the Appellate authorities/Inspecting Assistant Commissioners.

#### **Income-tax arrears against large commercial houses**

154. SHRI ARVIND GANESH KULKARNI:

SHRIMATI LEELA DAMODARA MENON:

SHRI T. BASHEER:

SHRIMATI USHI KHAN:

Will the Minister of FINANCE be pleased to refer to the answer to Starred Question 34 given in the Rajya Sabha on the 25th April, 1978 and state the present position regarding speedy collection of arrears of income-tax from the large industrial houses, particularly from those in whose case the arrears are in excess of their equity participation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQARULLAH): Information is not readily available separately in respect of arrears of income-tax due from large industrial houses whose tax arrears exceed their equity capital. However, information is available in respect of cases wherein gross arrears of income-tax exceeded Rs. 10 lakhs in each case. As on 31-3-77,

there were 63 such cases belonging to large industrial houses in respect of which gross arrears of income-tax aggregating to 26.17 crores were outstanding on that date, the corresponding net arrears being Rs. 11.99 crores. Out of these cases, information as on 31-3-78 is presently available in respect of 56 cases. The gross arrears in these 56 cases aggregating to Rs. 20.89 as on 31-3-77 have been reduced to Rs. 9.26 crores as on 31-3-78, the corresponding net arrears being Rs 5.60 crores.

#### **"Gross and Net Arrears"**

Arrears are expressed in terms of 'gross arrears' and 'net arrears'. 'Gross arrears' at any point of time represent the amount of tax demand raised on regular assessment and not paid till then. 'Net arrears' represent, by and large, the legally collectable demands at any point of time and are computed deducting the following four types of amounts from the amount of gross arrears:—

- (i) Amounts not fallen due.
- (ii) Pre-paid taxes (by way of advance tax, self-assessment tax or tax deducted at source) claimed to have been paid but which are awaiting verification/adjustment.
- (iii) Amounts in respect of which stay has been granted by various authorities including courts.
- (iv) Amounts covered by instalments granted.

#### **Alleged involvement of a Cabinet Minister of Punjab in a foreign exchange scandal**

155. SHRI ARVIND GANESH KULKARNI:

SHRIMATI USHI KHAN:

Will the Minister of FINANCE be pleased to refer to the answer to Starred Question 32 given in the Rajya Sabha on the 25th April, 1978 and state:

- (a) whether the enquiry into the alleged involvement of a Cabinet