

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

(c) whether the investigations have been completed and if so, what are the findings thereof; and

(d) if the answer to part (c) above be in the negative, by when the investigations are likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) to (d) Investigations are taken up by the authorities empowered in this behalf of all cases noticed where there are, possible violation of the laws relating to economic offences, whether these are by a company or groups of companies. The results of such investigations are reflected in the cases taken up for departmental adjudication/prosecution, and on the income tax side, in the additions made to the income returned by the assesseees for the relevant assessment year(s); penal proceedings being initiated wherever warranted.

If the Honourable Member desires to know the result of investigations made in any particular group of companies for any specified economic offence, the same can be collected and furnished.

#### Dantwala Committee on regional rural banks

644 SHRI RISHI KUMAR MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether the Dantwala Committee set up to report on the usefulness of the regional rural banks has submitted its report; and

(b) if so, what are its main recommendations?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b) The Dantwala Committee set up by the Reserve Bank of India to review the working of the Regional Rural

Banks submitted its report to the Reserve Bank of India in February 1978. The recommendations of the Committee are under examination in the Reserve Bank.

#### Rise in money supply

645. SHRI RISHI KUMAR MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that during the current financial year money supply has risen at a faster rate than the corresponding period of the previous three years; and

(b) if so, what impact it is likely to have on the inflationary situation?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) Yes Sir. During the current financial year so far (i.e., March 31 to June 30, 1978), the increase of money supply with the public at Rs. 1359 crores or 7.5 per cent was faster than the comparable increases of Rs. 568 crores or 4.7 per cent in 1975-76, Rs. 714 crores or 5.4 per cent in 1976-77 and Rs. 463 crores or 2.9 per cent in 1977-78.

(b) In Indian conditions, there appears to be no direct relationship, in the short term, between the expansion of money supply and prices. On the other hand the price situation seems to be much more sensitive to the availability of essential commodities. However, with a view to containing the growth of money supply during the current financial year, the Reserve Bank of India has already taken certain measures in May 1978. The Government and the Reserve Bank are keeping a close watch on the situation and further necessary corrective measures would be taken as and when the situation warrants.

#### Income-tax cases pertaining to the Mafatlal Group

646. SHRI SADASIV BAGAITKAR: Will the Minister of FINANCE be pleased to state:

(a) the number of cases relating to arrears of income-tax pertaining

to the companies belonging to the Mafatlal Group at present pending for settlement; and

(b) what steps Government have taken to settle these cases?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH):** (a) As on 31-3-78, gross demand of income-tax amounting to Rs. 23.81 lakhs with corresponding "net arrears" of Rs. 2.3 lakhs were outstanding against six companies belonging to Mafatlal Group.

(b) Dependig upon the facts and circumstances of each case, various steps provided under the Income-tax Act are being taken to recover these arrears.

'Gross demand' at any point of time represents 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 by deducting the following 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.

#### **Selection of Air Hostesses**

**647. SHRI SADASIV BAGAITKAR:** Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that there is an embargo on the selection of Air-hostesses from a particular community; and

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

**THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK):** (a) No, Sir.

(b) Does not arise.

#### **Air India Flights**

**648. SHRI DEVENDRA NATH DWIVEDI:**

**SHRI BIPINPAL DAS:**

**THE MINISTER OF TOURISM AND CIVIL AVIATION** be pleased to state whether it is a fact that a recent sample opinion at London's Heathrow Airport has shown that Air India's popularity has gone down and the airline has been facing criticism for delayed flights?

**THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK):** Recently there have been reports in the local newspapers about growing criticism of Air-India in London for delayed flights at Heathrow airport. Most of the news items have exaggerated the situation caused due to delays. It is the constant endeavour of Air-India to reduce delays to the maximum extent but in the specific instances of delays referred to at London, they were mostly due to bad weather and industrial action by Air Controllers at Continental Europe and U.K.

#### **Shortage in stocks of MMTC**

**649. SHRI DHARAMCHAND JAIN:**

**SHRI DAYANAND SAHAYA:**

Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) what is the extent of shortage in respect of fertilizers, sulphur and metals detected by MMTC on verification of stocks as on the 31st December, 1976, 31st December, 1977 and 30th June, 1978, item-wise;

(b) whether Government have fixed responsibility for these shortages; and

(c) what steps Government have taken to avoid such losses in future?