

**Companies connected with monopoly houses**

\*182. SHRI JAGDISH PRASAD MATHUR:  
SHRI SUBRAMANIAN SWAMY:  
SHRI S. C. ANGRE :

Will the Minister of FINANCE be pleased to state:

(a) what is the number of companies connected with the seventy-five monopoly business-houses; and

(b) what is the total amount of arrears of income-tax, wealth-tax and gift-tax against these companies during each of the last three financial years?]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) and (b). Requisite information is given in the statement laid on the Table of the House.

**Statement**

According to the Report of the Monopolies Inquiry Commission, 1965, the number of companies connected with seventy-five Big Business and Monopoly Houses is 1536.

The collection of information regarding the total amount of arrears of income-tax, wealth-tax and gift-tax outstanding against these 1536 companies during each of the last three financial years would involve enormous time, as these companies are assessed at different places all over the country.

However, total arrears of income-tax outstanding in such cases of companies connected with these Houses, where arrear demand exceeded Rs. 25 lakhs as on 31-3-1972, 31-3-1973 and 31-12-1973 are given below:

(In crores of Rupees)

	As on 31-3-72	As on 31-3-73	As on 31-12-73
Amount of arrears	14.58	10.15	13.69

†[ ] English translation.

Figures of arrear demand of income-tax due from Companies belonging to Monopoly Houses, where demand exceeded Rs. 10 lakhs in each case as on 31-3-1973 and 31-12-1973 are readily available and are indicated below:

(In crores of Rupees)

As on 31-3-73	As on 31-12-73
Amount of arrears	18.93 13.63

Companies were liable to wealth-tax only for the assessment years 1957-58 to 1959-60. If at all there are any arrears of wealth-tax against these companies, they could only be in respect of the aforesaid three years. Only those types of companies as are not enumerated in section 45 of the Gift-tax Act are liable to Gift-tax.

If the Hon'ble Members desire to have information about any particular company or companies belonging to these business houses, the same will be collected and furnished.

†[विस्तृत मंत्रालय में राज्य मंत्री (श्री के. आर. गणेश) : (क) और (ख) अपेक्षित सूचना, सदन के पदल पर रखे गये विवरण-पत्र में दी गई है।

**विवरण**

एकाधिकारी जांच आयोग, 1965 की रिपोर्ट के अनुसार पचहत्तर बड़े व्यापार तथा एकाधिकारी घरानों से संबंधित कंपनियों की संख्या 1536 है।

इन 1536 कंपनियों से पूर्ववर्ती तीन वित्तीय वर्षों में प्रत्येक वर्ष के दौरान बाकी पड़ी आयकर, धन-कर और दान-कर की बकाया की कुल रकम के बारे में सूचना इकट्ठी करने में बहुत अधिक समय लगेगा क्योंकि इन कंपनियों का कर-निर्धारण पूरे देश में विभिन्न स्थानों पर किया जाता है।

तथापि, इन घरानों से संबंधित कंपनियों के ऐसे मामलों में बाकी पड़ी आयकर की कुल बकाया, जिनमें 31-3-1972, 31-3-1973 और 31-12-1973 को बकाया की मांग लाख रु० से अधिक थी, इस प्रकार है:-

	(करोड़ रुपयों में)
	31-3-72 को 31-3-73 को 31-12-73 को
बकाया की रकम	13.69 14.58 10.15

‡[ ] Hindi translation.

एकाधिकारी घरानों की कंपनियों से प्राप्त आय कर की बकाया मांग के आंकड़े, जिनमें 31-3-1973 और 31-12-1973 को प्रत्येक मामले में मांग 10 लाख रु० से अधिक थी, तत्काल उपलब्ध है और वे इस प्रकार हैं:

(करोड़ रुपये में)

	31-3-73	31-12-73
को	को	
बकाया की रकम	18.93	13.63

ये कंपनियाँ केवल निर्धारण वर्ष 1957-58 से 1959-60 तक ही घन-कर लगाये जाने योग्य थीं। इन कंपनियों पर यदि घन-कर कोई बकाया होगी भी तो वह केवल उपर्युक्त तीन वर्षों के संबंध में हो या नहीं हो सकती है। केवल उसी प्रकार की कंपनियों पर घन-कर लगाया जा सकता है जिनकी परिणता घन-कर अधिनियम की धारा 45 में नहीं की गई है। यदि माननीय सदस्य इन व्यापार घरानों की किसी विशेष कंपनी अथवा कंपनियों के विषय में सूचना प्राप्त करना चाहते हों तो उसे इकट्ठा करके प्रस्तुत कर दिया जावेगा।]

**श्री जगदीश प्रसाद माथुर :** आपने जो इनफार्मेशन दी है, इससे यह लगता है कि जो प्रमांडिट आफ दी एरियर्स है वह प्रति वर्ष बढ़ता गया है। आपने इस वर्ष फ़िंगर तो नहीं दी, केवल दिसम्बर, 73 तक की दी है, लेकिन इन वर्षों में देखने से यह लगता है कि इस वर्ष की भी बढ़ेगी। आपने कहा है कि किसी इंडिविजुअल के बारे में न कहा जाए तो और कुछ न कह कर श्री जी० डी० बिरला को मैं बताना चाहता हूँ जो कहते हैं कि मेरा वैल्यू टैक्स सिर्फ 4 रुपये है। मैं यह जानना चाहता कि जो जो मोनोपॉलि हाउसेज के मैनेजमेंट से कसर्न लोग हैं, वे अपना सारा खर्चा इन कंपनियों के ऊपर ही डाल देते हैं जिसके कारण से वे स्वयं सारे टैक्स की लाय-बिलिटी से बच जाते हैं। तो इस लूपहोल को कवर करने का सरकार ने क्या कोई प्रयास किया है ?]

**SHRI K. R. GANESH :** As far as the evasion of wealth-tax or the avoidance of wealth-tax is concerned by taking advantage of various loopholes in the law, it is partly mitigated by what the Wanchoo Committee has recommended in regard to some

of these things. As the hon. Member is aware, I have informed this House a number of times that a special cell has also been constituted to go into the tax manipulation of the larger houses and various investigations have been conducted and many assessments have been reopened. That work of the special cell is going on.

**श्री जगदीश प्रसाद माथुर :** जिन सारे हाउसेज के या मोनोपॉलि हाउसेज के इनकम टैक्स एरियर्स हैं, और उन सारी कंपनियों को पिछले दिनों सरकार की ओर से नए लाइसेन्स भी दिये गए हैं—उनको एक्सपेंड करने की दृष्टि से सरकार ने परमिशन दी है—तो मैं जानना चाहूँगा जिनके टैक्स एरियर्स सरकार के जो फाइनेंशियल इन्स्टीट्यूशंस हैं उनसे इष्ट हैं, उसके लिए क्या सरकार एसी व्यवस्था करेगी कि बिना टैक्स क्लियरेंस के, वे जो नए उद्योग खोल रहे हैं या एक्सपेंशन कर रहे हैं, उनको किसी भी प्रकार की सहायता लोन के रूप में या किसी रूप के अन्दर सरकारी फाइनेंशियल इन्स्टीट्यूशंस से नहीं मिलेगी, और क्या पिछले दिनों इन टैक्स एरियर्स के हो रहे हैं, इस प्रकार की सहायता या इस प्रकार के लोन इन बिग बिजनेस हाउसेज को सरकार की ओर से दिया गया है ?

**SHRI K. R. GANESH :** Sir, I wish to inform the hon'ble Member that as far as tax arrears are concerned, it is not a problem of that magnitude as far as these big monopoly houses are concerned. I am distinguishing tax arrears from tax avoidance and concealment. I have a list of various houses, category-wise and group-wise, in which arrears are given.

Now, Sir, arrears may be pending for various reasons. Arrears may be pending for rectification. Arrears may be pending for litigation, for demand stayed by courts and various other reasons which may not amount to concealment, which may not amount to a sort of attempt to defraud the Revenue. Therefore, each of these cases will have to be taken up and assessment made of the nature of arrears that are there.

**श्री जगदीश प्रसाद माथुर :** मैंने यह पूछा था कि—यहां कंसोलमेंट का सवाल नहीं है—लेकिन जो एरियर्स सिद्ध हुए हैं उनके बारे में उन हाउसेज की गवर्मेंट इंस्टीट्यूशंस से जब तक क्लीयरेंस की रसीद न दे दी जाए, तब तक इन फाइनेंशियल इंस्टीट्यूशंस से उनकी लोन और सहायता के रूप में रुपया देने के संबंध में सरकार की क्या पॉलिसी है ?

**SHRI K. R. GANESH :** If the arrears are because of demand has been stayed by the courts, if the arrears are because of demand stayed by the income tax authorities, if the arrears are because of other disputes, if the arrears are because they are pending rectification or pending adjustment of advances tax, obviously it may not be possible for the Government to come to the conclusion that there has been some sort of offence committed.

**SHRI SUBRAMANIAN SWAMY :** Sir, this is a question on which the Government is doing a lot of pussy-footing. I would like to ask a short question. I would not have really raised this question if I could get the material elsewhere.

**MR. CHAIRMAN :** You need not give the reasons.

**SHRI SUBRAMANIAN SWAMY :** The Minister has in his reply said that he cannot give information on certain matters because it involves enormous time. You, Sir, or November 26, 1973 had told the Minister that he should circulate all the reports of the monopoly houses to Members of Parliament as early as possible. If it had been done, all the informations that we are seeking would have been unnecessary if the Minister had listened to you. I would request you to ask the Minister to do the same now. My question is : In view of the fact that big business houses are growing at the rate of 15 per cent, per year while the small industry is growing at the rate of 3 per cent, and in view of the large number of undertakings given by the Minister in his reply that 1,546 companies are connected with 75 big houses which are cornering all the finances, in

view of the fact that the Deputy Minister, Shrimati Sushila Rohatgi, on 27-7-1973 had said that Rs. 1,293 crores had been advanced by public institutions connected with big business houses—L.I.C alone providing 52 per cent, of the advances to the big business houses—ic view of all this, and in view of the Government's promise made in the Lok Sabha on May 9, 1972, does the Government now propose to carry through with its promise of breaking up the big business houses so that they do not corner finances, import licences and create concentration of economic power in the country.

**SHRI K. R. GANESH :** I do not think I am in a position to answer because this question, naturally, concerns the Department of Company Law. I am not concerned immediately with the question of breaking up monopoly houses, concentration of money power in the monopoly houses, nor am I prepared for a reply because this was a question pertaining to arrears of monopoly houses. These monopoly houses are sizeable units. They have got 1,500 odd companies.

It will not be possible for me to get the information about all these 1,500 companies spread over throughout the length and breadth of this country in a measurably short period of time.

**SHRI SUBRAMANIAN SWAMY :** They can circulate the Monopolies Commission Reports as directed by you, Sir.

**MR. CHAIRMAN :** You put the question to the Companies Affairs Minister.

**SHRI SUBRAMANIAN SWAMY :** He is also a member of the Government.

**MR. CHAIRMAN :** Mr. Rabi Say.

**श्री रबी राय :** मैं मंत्री महोदय से जानना चाहता हूं कि जिन जिन मोनोपली हाउसेज के ऊपर एरियर्स हैं क्या उनके नाम बतायेंगे ? दूसरी चीज यह है कि पहले मंत्रालय के जवाब में आपने बताया कि 72-74 तक राइट आफ किया गया है, तो जिन लोगों का राइट आफ किया है उनमें मोनोपली हाउसेज हैं क्या ?

SHRI K. R. GANESH : Sir, I have the names of the monopoly houses. There are 20 assesseees : the Associated Cement Company ....

MR. CHAIRMAN : You may lay it on the Table of the House.

SHRI K. R. GANESH : Yes, Sir. There are 20 companies as on 31-3-1973 having arrears amounting to Rs. 14.58 crores. Then he asked about the writeoff of arrears of monopoly houses. I do not immediately have that information whether there is any monopoly house. By the very nature of things, there cannot be a monopoly house, but there may be one or two such cases who may be monopoly houses or may be speculators and adventurers. But immediately I do not have that information.

DR. R. K. CHAKRABARTI : Sir, in regard to part (b) of the question relating to arrears of income-tax, in one of the statements the hon. Minister said that the Government is enlisting the co-operation of officers through their respective associations and federation. Recently there was a one-day token strike by the Class II Gazetted Officers Association. What is the Minister doing in order to minimise the friction between Class I and Class II Income-tax Officers, on which very much depends the collection of income-tax arrears?

SHRI K. R. GANESH : The hon. Member is fully aware that unfortunately there is a history of litigation, as far as the Income-tax Department is concerned, between Class I and Class II officers. Recently the Supreme Court has upheld the Government order with regard to the fixation of quotas between Class I and Class II officers.

DR. R. K. CHAKRABARTI : That is after job classification. There is no job classification so far.

SHRI K. R. GANESH : Then he has mentioned that there is discontent. While

it is the duty of the Government to implement its own order, which has been upheld by the highest court in the land, an integrated view will have to be taken so that the discontent, to the extent possible, will be removed.

SHRI G. LAKSHMANAN : May I know from the hon. Minister the procedure that is being followed with regard to the grant of visa to income-tax assesseees who are in arrears, for visiting foreign countries? May I know whether anybody who is in arrears is also granted visa to visit foreign countries?

SHRI K. R. GANESH : Sir, the visa, as you know, is given by the country concerned where the Indian citizen goes. The passport is given under the Indian Passport Act and it is not easy for the Income-tax Department to tamper with the granting of passports.

SHRI G. LAKSHMANAN : Sir, . . .

MR. CHAIRMAN : That is enough. Only one question. Please sit down.

SHRI G. LAKSHMANAN : I should not give the specific instance because that is the ruling of the Chairman.

MR. CHAIRMAN : The answer to your question has come.

SHRI G. LAKSHMANAN : I do not want to mention individual cases because of the ruling given by the Chairman. Now I want to know the procedure followed, whether anybody ....

MR. CHAIRMAN : I do not permit any other question. Please sit down. Dr. K. Kurian.

DR. K. MATHEW KURIAN : The hon. Minister's statement in reply to this question is a real contempt of this House. The Minister has given the figures of 1965 Monopolies Commission's report and

referred to the total number of companies associated with them as 1536. Sir, according to the Company Affairs Departments study, the number of monopoly houses has increased from 75 to 93 and the companies associated with these Houses have also increased enormously. Unless the Minister gives us the latest figures not only about the 75 monopoly houses but also about the additional monopoly houses which have come into being during the last 3 years of 'Garibi Hatao', the House will be in complete darkness. My specific question is : in view of the fact that the Government has been giving substantial loans to big monopoly houses, will the Government and particularly the Ministry of Finance which cannot escape from this responsibility, consider the proposal which has been made by various experts in this country that the entire loans given by public financial institutions should be converted into equity so that these monopoly houses can be effectively controlled?

MR. CHAIRMAN : You are entering into an argument.

SHRI K. R. GANESH : In answer to his first question, I had indicated, the position according to the Monopolies Commission's Report of 1965.

DR. K. MATHEW KURIAN : On a point of order, Sir. The question does not refer to the Monopolies Commission's Report. The question is a very specific one. The number of 75 monopoly houses as gone up to 93 . . .

MR. CHAIRMAN : I have heard you

SHRI K. R. GANESH : We have, given these figures according to the Monopolies Commission's Report of 1965. Later on, it may be that the monopoly houses have increased and their companies have also increased.

SHRI NIREN GHOSH : He must bring the latest information.

SHRI K. R. GANESH : Sir, the object of putting this question to me was about the arrears. I do not think that such a

well-informed hon. Member expects me to go into the entire question of monopoly houses. I have given the figures which were available with me. I do not deny that the monopoly houses might have increased.

DR. K. MATHEW KURIAN : I asked about the conversion of loans into equity. He is evading that question.

SHRI K. R. GANESH : How does it fall into the arrears?

DR. K. MATHEW KURIAN : This is an effective method of controlling the arrears. By controlling the companies, you can control the arrears. Let him reply to that.

SHRI K. R. GANESH : This particular question does not fall into this question. The Government has got its own thinking on the question of conversion of loans into equity. This has been kept as a guideline. It is a continuing process.

MR. CHAIRMAN : Interruptions will also continue. •

श्री धीरेंद्र सिंह मोहावत : माननीय मंत्री महोदय ने अपने उत्तर में यह बताया है कि मोनोपली हाउसेज के अग्रेस्ट में करोड़ों खर्चा बकाया है और उस बकाया की वसूली में जूडिशल कोर्ट्स से जो आर्डर हो जाते हैं उनके कारण एरियर्स बनते हैं। क्या सरकार इस पर विचार कर रही है कि इनकम-टैक्स ला में इस प्रकार का संशोधन किया जाये कि एक बार डिमांड नोटिस इश्यू कर देने के बाद डिमांड नोटिस की जितनी रकम है वह पेसी को जमा करानी पड़ेगी, और इसके बाद डिस्प्यूट है तो वह कोर्ट्स में चैलेंज किया जा सकता है ?

SHRI K. R. GANESH : Sir, in the new Bill based on Wanchoo Committee's Report, there is a provision stating that at least the undisputed part of the demand should be paid before an appeal can be filed. Therefore, this provision is there.

श्री महावीर त्यागी : श्रीमान्, मैं आपसे यह निवेदन करना चाहता हूँ कि क्वेश्चन के टाइम को कुछ तरह से कंट्रोल करना चाहिये जिससे कि श्रद्धालु सवाल को दिया जा सके। यौन घंटे में सिर्फ दो क्वेश्चन हूयें हैं।... समय के मुताबिक क्वेश्चन बोड़े होने चाहिये।

श्री सभापति : यह सवाल ऐसे थे कि जिन में बहुत से मेम्बरों दिलचस्पी ले रहे थे।

श्री महावीर त्यागी : जिन्होंने श्री सवाल को मोटास दिया है वे सब बेकार जाते हैं।

श्री सभापति : मैं इस को नहीं मानता, कितने ही सवाल हैं...

श्री महावीर त्यागी : यहाँ एक टेबल हो गयी है बहस करने की, इस को रोकना चाहिये।

श्री डी० एन० सिंह : आप इस को बिजनेस एडवाइजरी कमेटी के सामने रखें कि एक सवाल पर कितने सप्तीमेंटरी परमिट किये जाने चाहिये। अगर वह कह दे कि 10, 15 या 20 सप्तीमेंटरी हो सकते हैं, जितने भी वह कह दे उस के बाद आप रोक दें।

श्री सभापति : मुझे भी कुछ डिस्क्रिप्शन है और मैं कभी-कभी 10 या 11 सवाल करा लेता हूँ, लेकिन बजाये सवालों के मैं समझता हूँ कि यह बहुत जरूरी है और अगर मेम्बरों ज्यादा चाहते हैं तो मैं उन का क्याल रखता हूँ। मैं ने आप की बात समझ ली।

SHRI NIREN GHOSH : Important questions are likely to take more time.

श्री महावीर त्यागी : सारे सवाल आप के सामने थे और सब को सवाल पूछने का अधिकार था, लेकिन दूसरे लोगों का मौका ही नहीं मिलता।

श्री वीरेन्द्र कुमार सखसेचा : क्या माननीय मंत्री जी बतायेंगे कि डिफरेंट बिजनेस हाउसेज के द्वारा उनके परिवारों के लोग डिफरेंट कंपनीज बना लेते हैं और फिर उन में किसी एक मेम्बर का काम कर के या कहीं दूसरे को काम कर के इस तरह से अलग-अलग असेसमेंट होता है कि जिससे टैक्स बचाया जाता है। तो अगर उन फैमिलीज को, अगर उन के मेम्बर डिफरेंट कंपनीज बनाते हैं, उनको अगर मिला कर लिया जाये तो उनमें ज्यादा टैक्स चुकाना पड़ेगा भी ज्यादा होगी। इस बारे में क्या आप विचार कर रहे हैं?

SHRI K. R. GANESH : Companies are formed under the Companies Act and each company is an assessable unit as far as income-tax is concerned.

#### Non-fulfilment of export obligation by Kohinoor and Navajivan MiFls

•183. SHRI SARDAR AMJAD ALI : t SHRI HARSH DEO MALAVIYA-SHRI IBRAHIM KALANIYA : SHRI N. R. CHOUDHURY :

Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Kohinoor Mills and Navajivan Mills are liable for penalty for non-fulfilment of export obligation for January—June, 1973 and July—December, 1973;

(b) if so, whether any action has been taken by the Textile Commissioner against these defaulting Mills; and

(c) if not, what are the reasons therefor?

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA) : (a) to (c) A statement is laid on the Table of the House.

#### Statement

In terms of the voluntary export obligation undertaken by the Indian Cotton Mills Federation in 1973, all composite cotton textile mills were to export 15 per cent of their production of cloth during the calendar year. The mills were, however, given the option of transferring; the uhli-iofl to other composite mills on mutu-le terms. Against the obli-n to export 52.28 lakh sq. metres of cloth in 1973, Messrs. Kohinoui Mills ported 22.59 lakh sq. metres

†The question was actually asked on the floor of the House by Shri Sardar Amjad Ali.