

case of the JAL, the pilot never intended to land at Safdarjung Airport because he never came so low as to land. The duty officer without understanding the estimated altitude of the aircraft, simply reported that the aircraft came low.

श्री सीताराम केसरी मैं मंत्री महोदया से यह जानना चाहूंगा कि विगत वर्ष जो जाल वायुयान की घटना हुई और उस पर आपने प्रोब कराया, उस प्रोब के निर्णय को जापान नहीं मान रहा है और वह आगे अपील कर रहा है। इसकी क्या आपको खबर है। अगर खबर है तो इस पर आप क्या स्टेप ले रहे हैं?

DR. (SMT.) SAROJINI MAHISHI: Sir, just as the hon. Member has read about it in the newspapers, so also we have read about it. We have no further information regarding that

SHRI SITARAM KESRI: That is the only source of information for us

Cases against Birla Firms

688. SHRI BHUPESH GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether any prosecutions have been launched against Birlas and the firms under their control for concealment of income and tax evasion;

(b) if so, the details thereof; and

(c) what is the total amount of tax involved in these cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (K. R. GANESH): (a) to (c) No prosecution has been launched under the Income Tax Act so far.

SHRI BHUPESH GUPTA: May I know from the Government how many cases are under investigation and at what stage they are I should also like to know the

details and also whether any suggestion has been made with regard to the prosecution. In this connection, I would also like to know whether the Government is aware that the Income-tax Department, at the highest level even, is very much afraid of the Birlas because somehow or the other the Birlas come for lobbying in Delhi and get the officers who deal with their files transferred, if they find them inconvenient. And is the hon. Minister aware that in a recent case at least one officer was transferred in some other connection because the Birlas thought that he was not helpful to them? And also is he aware that when a prosecution was sought to be started, then negotiation took place at some level in Delhi with the result that it was arranged internally that only the officers of the Birlas should be prosecuted and not one of the Birlas who was initially sought to be prosecuted? Kindly give us the information; do not use the technical term 'prosecution'; give us other facts also as to whether Mr. G. D. Birla and two of the other Birlas are paying any wealth-tax and, if so, how much.

SHRI K. R. GANESH: Sir, the hon'ble Member has asked a number of questions. I had occasion to reply earlier in Parliament that a special cell would be set up by the Finance Ministry to go into the...

SHRI BHUPESH GUPTA: You mean Birla Cell.

SHRI K. R. GANESH: ... tax mechanism of larger Houses and their way of indulging in tax avoidance, and also to collect other information with regard to that so that the Board is kept informed.

Sir, we had surveyed some of the Wealth tax assessment of the Birlas. After survey, Sir, about 125 wealth tax, income tax and gift tax cases have been opened against the Birlas, individuals and other connected persons. Out of these 125 cases I had informed the House the Birlas have filed a large number of writ petitions. Of course, the Department is defending these writ petitions. Sir, the Special Cell is vigorously nursing the various facts that are before them and the information that has been collected. These will be processed. And since, as I indicated, it involves about 125

assessments it is quite a time-consuming job. After these informations have been given to the Income Tax Officers and after the completion of the assessments, Sir, it will be possible to conclude whether any concealment is there, whether any offence has been established and, thereafter, Sir, the question of prosecution will come.

The hon'ble Member has asked about pressurization. All these facts the Finance Minister had given earlier. As far as the Finance Minister and officers of the Ministry are concerned, there is no question of being pressurized, I think, and there is no question of not doing the job.

SHRI BHUPESH GUPTA On a point of order. I never said that the Finance Ministry as such is being pressurized.

MR CHAIRMAN It is clear.

SHRI BHUPESH GUPTA Kindly listen. I choose my words. I am very precise. I never used the word "Finance Minister". I said people came here, met some people and got some people out. An officer was transferred because the Birlas thought he was not dealing with the cases to Birlas satisfaction and incriminating documents were in possession of the officer. It is a point of order. I am not bringing any privilege because I have brought it to the notice of the Finance Minister's Consultative Committee.

MR CHAIRMAN There is no point of order. He is explaining it.

SHRI K. R. GANESH Sir, the hon'ble Member has now clarified that he has referred about one officer in the Consultative Committee. Sir, it was replied to him in the Consultative Committee itself that this officer who was transferred was not in the Special Birla Cell. Nobody has been transferred from the Special Birla Cell. The Special Cell which now looks after the activities of the Birlas is meant to go into the tax avoidance techniques of Birlas and the other larger business houses. We have taken up Birlas, the Bajorias and the Jalans. So it is clear that no officer from the Special Cell has been transferred. Officers who are hand-picked get in-

vestigations done and various other things.

He is referring to an officer who was transferred from the Department of Revenue Intelligence. The officer was promoted in due course. He was loaned to the Revenue Intelligence Department from the Income Tax Department.

He was promoted as an Assistant Commissioner and after his promotion he has come back to this department.

SHRI BHUPESH GUPTA No, Sir. Is it an answer? I know what he has said. It is technically correct.

MR CHAIRMAN You put your second question. You have already taken seven minutes over this.

SHRI BHUPESH GUPTA It is not a question of taking seven minutes.

MR CHAIRMAN I am not unkind to you or to anybody.

SHRI BHUPESH GUPTA Sir, I do not know why you are so unkind to me. Generally you are very kind.

MR CHAIRMAN I am not unkind to you or to anybody.

SHRI NAWAL KISHORE You are over-kind to him.

SHRI BHUPESH GUPTA The fact is, this officer has been promoted.

MR CHAIRMAN Please put your second question.

SHRI BHUPESH GUPTA It is coming into the second question. It is landing into the second question.

MR CHAIRMAN I do not want preambles. Kindly put your second question.

SHRI BHUPESH GUPTA The preamble is important because he gave misleading information. Is it proper for him to mislead you, Sir?

MR CHAIRMAN No, no, no one is misleading me.

SHRI K R GANESH Sir, I am not misleading anybody. The hon. Member is not clear in what he is asking.

SHRI BHUPESH GUPTA. Sir, he was doing investigation in the Enforcement Directorate regarding Birlas' foreign exchange fraud involving one million sterling. And in order to get rid of him, he was taken back to the department under the cover of promotion. All the incriminating papers that he was going into involve some high political personalities also. To save all of them, he has been taken back. You should own it up before the House. He was removed in the middle of an investigation of a very serious nature involving devaluation leakage and all that. Therefore, may I ask again whether he is aware that the removal of that officer in that manner under the camouflage of promotion from the investigation with regard to the Birlas' violation of the Enforcement Order and fraud and swindle in this country, has caused demoralisation in the Income-tax Department? They cannot do anything against the Birlas because of some invisible hand working in favour of the Birlas. Is it clear?

SHRI K R GANESH Sir, the hon. Member is mixing up two things.

SHRI BHUPESH GUPTA. On a point of personal explanation I am not mixing up two things.

MR CHAIRMAN Please sit down. According to him, you are mixing up.

SHRI BHUPESH GUPTA According to me, I am not mixing up.

MR CHAIRMAN Please sit down.

SHRI K R GANESH Sir, if you see the question, it refers to "concealment of income and tax evasion." I am replying on the question of income-tax and tax evasion. Now, when he refers to this particular question, he is referring to foreign exchange dealings, which is handled by the Enforcement Directorate. I gave the information because this information was al-

ready supplied to the hon. Member in the Consultative Committee. It is factual information that the officer who was in the cadre of the Income tax Department was in an ex cadre post in Revenue Intelligence. When he was promoted, he came back to the department. Now if the hon. Member wants to know whether it was done for a particular purpose he will have to put a direct question to the Enforcement Directorate of the concerned department.

श्री जगदीश प्रसाद माथुर बिडला ने सम्बन्ध में जितने भी इंकम टैक्स प्रॉपर बल्ड टैक्स के कैसेज हैं जिन के सम्बन्ध में आपने कहा कि किसी का प्राजिक्युशन नहीं हुआ है, तो क्या यह मान कर चले कि जिस समय से बिडला फर्म प्रारम्भ हुई उस समय से उनके सारे मामले पोंडिंग हैं अथवा समय समय पर कैसेज का प्रसेसमेंट होता जाता है और जिन कैसेज का प्रसेसमेंट हुआ उनमें क्या किसी प्रकार से बिडला फर्म दोषी पाई गई और उनको किसी प्रकार की कोर्ट सजा हुई। दूसरे जिन आफिसर के बारे में श्रीमान भूपेश गुप्त जी ने कहा, क्या उस आफिसर का जा प्रमोशन हुआ है वह इय कोर्ट में हुआ है या किसी प्रॉपर वजह से हुआ है।

SHRI BHUPESH GUPTA We want a half-an-hour discussion on this.

SHRI A G KULKARNI Have for two hours.

SHRI K R GANESH Sir, I had indicated that in the normal course of assessment, the Birlas have been paying whatever tax they have been assessed. Now, as a result of various investigations that are going on in our country—the licensing enquiry committee, the Sarkar Commission and the special cell set up by the Company Law Board—Certain facts came to the knowledge of the Government in relation to the tax position of the Birlas.

Sir, As a result of that, the special Cell went into many of these questions and as a result of their survey and investigation, they found out certain facts. And as a result of this, they opened up 125 assessments. Therefore, the question of concealment or prosecution will arise only when these assessments are finalised and an offence is established.

About the second question, the promotion is in the normal course. A large number of officers have been promoted to the various grades. This is done in normal course. And, therefore, his contention is not correct.

SHRI MONORANJAN ROY Is it a fact or not that one Mr D K Guha, Assistant Commissioner of Income Tax in Calcutta, searched the Birla Houses and when some incriminating documents were found, he was asked to stick to routine work and not to go to that and then he was transferred? I want to know whether it is also a fact that he was transferred with a motive behind it so that the Birlas may escape from paying income tax and go scot-free.

SHRI K R GANESH About this question, the hon Member should get a reply from the Department of Personnel. I have no knowledge of it.

SHRI PRITHWI NATH Have any assessments been completed with regard to these 155 cases?

SHRI K R GANESH I think the hon Member is referring to 125 cases. He has asked whether assessments have been completed with regard to these cases. Original assessments would have been completed. As a result of the enquiry that is being conducted, these assessments will have to be completed. If facts are there as a result of re-opening, the assessments will have to be completed and thereafter the procedure will start.

†Allegations against Chairman, Central Board of Direct Taxes

*395 **SHRI KALYAN ROY** Will the Minister of FINANCE be pleased to state

†Transferred from the 9th August, 1973

(a) whether Government have granted extension of service to Shri R D Shah, Chairman, Central Board of Direct Taxes,

(b) whether Government are aware of serious allegations made against him in his capacity as Chairman of the said Board,

(c) if so, what steps have been taken to investigate into these allegations, and

(d) if the reply to part (c) above be in the negative, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K R GANESH) (a) Yes, Sir

(b) to (d) Certain allegations had been made by Shri Kalyan Roy, Member of Parliament in connection with the re-opening of certain cases of wealth tax assessments. Shri Kalyan Roy had also drawn attention to the adverse observations made regarding the functioning of the CBDT in the 88th Report of the PAC. The matters were looked into and it was found that the allegation in connection with the wealth tax assessment cases was incorrect. This position was also stated in the reply to starred Question No 296 by Shri Kalyan Roy answered in the Rajya Sabha on 15-5-1973 (*See below*). As regards the deficiencies noticed by the PAC they were the result of the system in operation for a long time and it would not be correct to lay the blame on Shri R D Shah. Corrective measures to overcome the deficiencies have since been taken.

Evasion of Wealth Tax by Birlas

*296 **SHRI KALYAN ROY** Will the Minister of FINANCE be pleased to state:

(a) whether Government have recently received any representation from some Members of Parliament regarding evasion of Wealth Tax by the Birlas in collusion with some senior officials,

(b) if so, what are the allegations, and

(c) whether any investigation has been made into these complaints, and if so, the results thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K R GANESH) (a) to (c) A statement is laid on the Table of the House.