

RAJYA SABHA

Wednesday, the 17th August, 1966/the
26th Shrawana, 1888 (Saka)

The House met at eleven of the clock,
MR. CHAIRMAN in the Chair.

. ORAL ANSWERS TO QUESTIONS

*470. [The questioner (Shri Ram Singh) was absent. For answer, vide col. 2836 infra.]

*471. [The questioner (Shri I. K. Gujral) was absent. For answer, vide col. 2837 infra.]

WRITING-OFF OF INCOME-TAX ARREARS

*472. SHRI NIREN GHOSH :
SHRI ARJUN ARORA :†
SHRI M. AJMAL KHAN :

Will the Minister of FINANCE be pleased to refer to the reply given to Starred Question No. 830 in the Rajya Sabha on the 30th March, 1966 and state :

(a) the names of assesseees in whose cases income-tax arrears of rupees ten lakhs or more were written off;

(b) the reasons for such write-off in each case;

(c) the authority which took the decision in each case; and

(d) whether any case has been re-opened subsequently and efforts have been made to realise the amount ?

THE DEPUTY MINISTER IN THE
MINISTRY OF FINANCE (SHRI L. N.
MISHRA) : (a) There were six such cases:

- (i) Shri Motilal Mulchand Dharangdhra (Saurashtra).
- (ii) Shri Mytheen Kunju, Quilon.
- (iii) M/s. Padam Chand & Co., Delhi.
- (iv) Raja Kali Prasad Singh, Jharia.
- (v) Mulla Lakshmi Narayana Swami, Tadpatri (Distt. Anantpur).
- (vi) M/s. Biharilal Ramcharan (Firm), Kanpur.

†The question was actually asked on the floor of the House by Shri Arjun Arora.

(b) Arrears of income-tax were scaled down in each of these cases on the basis of information obtained on enquiry as to the sufficiency of assets of the assesseees and their capacity to pay. The balance was written off.

(c) The Central Board of Direct Taxes in all the cases, with the concurrence of the Minister in the cases mentioned at S. Nos. (ii), (iv) and (vi) of part (a) above.

(d) The orders of write-off have not been set aside or modified in any of these cases so far. The write-off order in regard to the last case, namely, that of M/s. Biharilal Ramcharan is, however, under reconsideration.

SHRI ARJUN ARORA : Sir, it appears that all of a sudden many of the millionaires in the country became poor and the Government made a present to each one of them of Rs. 10 lakhs or more. The Minister has given the names; he has not given the amounts. May I know what are the amounts in each case which were written off ?

SHRI B. R. BHAGAT : Sir, I will lay that on the Table of the House.

SHRI ARJUN ARORA : He has never done so. The Deputy Minister only read out the names.

MR. CHAIRMAN : You had mentioned the amount yourself—Rs. 10 lakhs or more.

SHRI ARJUN ARORA : The category is above Rs. 10 lakhs. Anyway, I want to know, as a supplementary, the amount written off in each of the cases mentioned by the Deputy Minister in his reply.

SHRI B. R. BHAGAT : In all these cases, I can read out the amounts or I can lay the information on the Table.

MR. CHAIRMAN : Since you have read out the names, you may also read out the amounts.

SHRI B. R. BHAGAT : Very well, Sir. The amounts are as follows :

- (i) Shri Motilal Mulchand—
Rs. 15,19,750.
- (ii) Shri Mytheen Kunju Quilon—
Rs. 19,67,120.60.

- (iii) M/s. Padam Chand & Co., Delhi—
Rs. 18,25,013.70.
- (iv) Raja Kali Prasad Singh, Jharia—
Rs. 14,28,366.
- (v) Mulla Lakshmi Narayana Swami—
Rs. 18,70,028.
- (vi) M/s. Biharilal Ramcharan—
Rs. 30,41,486.

SHRI ARJUN ARORA : May I know what were the compelling reasons for the writing off of such huge amounts as more than Rs. 15 lakhs? Of course, the case involving more than Rs. 30 lakhs is being reopened. So I do not want to press that. But I want to know why these sums of Rs. 15 lakhs and over were written off. May I know the reasons in each of these cases? Since they are not many, the Minister can perhaps give us the reasons for each of them. Mere mention of a section of the Income-tax Act probably only means that the Government was authorised to do so; it is not illegal. But it is very generous. So may I know the reasons for this generosity?

SHRI B. R. BHAGAT : The general principle is that it is done at different levels and stages, not one officer but a group of officers, and in the case of the Board, the whole Board. If the amount involved is more, it is still at a higher level.

SHRI ARJUN ARORA : Sir, he is again repeating what he told me on 30th March. That is, how it is done. My question is not how it is done but my question is : Why is it done?

SHRI B. R. BHAGAT : The reasons are: The assets are not enough to meet the liability and in some cases the gentlemen concerned might have gone outside the country and there is no way of realising the amounts. But it is done according to the judgment of the officers or the group of officers or the Board or even at some higher level. If the amount is more, it is done at the highest level. If there is a clear proof that the amount cannot be realised because the assets are not there, then in the interest of revenue whatever is to be realised is by way of settlement and if the assets are there to be disposed of, a decision is taken. This is the general practice.

SHRI ARJUN ARORA : May I know what was the amount which was in fact realised from each of these parties, because he has said that one of the reasons was that whatever is available should be realised? May I know what was realised from each one of them before or simultaneously with the writing off of the sums?

SHRI B. R. BHAGAT : Sir, I will lay it on the Table—how much was realised in each case. It is a question of details.

SHRI ARJUN ARORA : Sir, the Ministry of Finance is very slack in laying things on the Table. On the 30th March, 1966, I asked them a question : Will the Minister please give the House the names of the persons against whom arrears of Rs. 10 lakhs or more have been written off? The Minister was pleased to say "I will get that information and lay it on the Table." And it was not laid on the Table in the subsequent Session. So, I was compelled to give notice of this question. Even now the answer is that the reasons will be laid on the Table of the House. After all, Sir, it is public money and Parliament is entitled to know why in some cases huge amounts of assessed income-tax are written off. The reasons should be given.

MR. CHAIRMAN : I think enough information has been given to you and the information that you need can be laid on the Table of the House. But I would ask the Minister to do it within seven days.

SHRI B. R. BHAGAT : Yes, I will do that.

SHRI ARJUN ARORA : Sir, I bow to your ruling but I want to make one request that this matter should be treated as a subject-matter for Half-an-hour Discussion during this Session. I hope the Minister will agree. It will give the Minister an opportunity to clear the position and it will also give us an opportunity to put questions and get clarifications.

MR. CHAIRMAN : Mr. Arora, I will consider that but the information has to be laid on the Table of the House within seven days, as I have directed.

SHRI ARJUN ARORA : After that there should be a discussion for half an hour.

شری عبدالغنی : کیا وزیر صاحب فرمائیں گے کہ جن کا یہ رویہ معاف کیا گیا ان کے پاس کوئی اموو ایبل پراپرٹی نہیں تھی۔ اگر تھی تو کیا اس اموو ایبل پراپرٹی کو گورنمنٹ نے انکم ٹیکس کی رقم کے بدلہ میں ضبط کیا۔

[श्री अब्दुल गनी : क्या वजीर साहब फरमायेंगे कि जिनका यह रुपया माफ किया गया उनके पास कोई इन्मूवेबिल प्रापर्टी नहीं थी; अगर थी तो क्या इस इन्मूवेबिल प्रापर्टी को गवर्नमेंट ने इन्कम टैक्स को रकम के बदले में ज़ब्त किया ?]

श्री बी० आर० भगत : सारी खबर दी जायगी स्टेटमेंट में।

श्री सभापति : स्टेटमेंट में आ जायगा।

SHRI A. D. MANI : Sir, I do not want to go into details but I would like to ask the Minister whether any formal hearing took place in respect of these cases. As he knows, the general procedure in respect of income-tax is that an assessee is given a show-cause notice to find out whether he accepts the assessment or does not accept the assessment. Then a formal hearing takes place and counsels appear. Was that procedure gone through or were these amounts written off by private talks between the assessee and a group of Income-tax Officers ?

SHRI B. R. BHAGAT : No, Sir, formal hearing is given.

श्री रामकुमार भुवालका : क्या मंत्री जी बतायेंगे कि इन्कम टैक्स का जित पर रुपया बाकी है और जिसे उन्होंने राइट-आफ कर दिया वह कितने वर्षों का है; वह असेसी के ऊपर एक वर्ष का है या कई वर्षों का है ?

श्री बी० आर० भगत : कई वर्षों का है।

[] Hindi transliteration.

SHRIMATI TARA RAMCHANDRA SATHE : May I know, Sir, whether the Government had written off these income-tax arrears on some condition, namely, whether the party will have to pay if they gain some profits in the future ?

SHRI B. R. BHAGAT : In one type of cases, that come for settlement, there is a condition that if the party pays so much, the balance will be written off. If there is scope for paying off the arrears to a greater extent, there the income-tax arrears are not written off and more moneys are collected.

MR. CHAIRMAN : I hope you will be able to indicate all this in the statement that you will lay on the Table of the House.

SHRI G. M. MIR : The hon. Minister stated in reply to one of the supplementaries that the arrears of income-tax could not be realised from some of the assessee who had left this country and that therefore they have been written off. May I know, Sir, why they have been written off and why they have not been kept pending ?

SHRI B. R. BHAGAT : I stated that there were cases where the assessee had left the country and there was no way of realising his income-tax dues. The arrears have been pending for ten years and fifteen years, and instead of keeping them in the books just as a notional amount, it was thought better to write them off.

SHRI P. K. KUMARAN : The Minister has given us five cases where huge amounts have been written off. May I know, Sir, how many cases are pending to be written off ?

SHRI B. R. BHAGAT : Sir, I want notice to answer the question.

SHRI K. DAMODARAN : The hon. Minister stated that some parties have gone out of the country and therefore the income-tax arrears due from them could not be realised. May I know, Sir, how people could go out of the country without an income-tax clearance certificate, and may I know, Sir, who are the parties who went outside the country without clearing their income-tax arrears ? What are the countries . . .

MR. CHAIRMAN : I hope Members would agree to wait till the statement is laid on the Table, and I hope as much information as is possible would be given

in that statement, after which there might be a discussion. Next question.

RESIDENTIAL ACCOMMODATION FOR THE EMPLOYEES OF PUBLIC SECTOR UNDERTAKINGS

*473. **SHRI ARJUN ARORA :** Will the Minister of WORKS, HOUSING AND URBAN DEVELOPMENT be pleased to state the number of tenements, bungalows and flats allotted to the employees of public sector undertakings during the first six months of the year 1966 ?

THE DEPUTY MINISTER IN THE MINISTRY OF WORKS, HOUSING AND URBAN DEVELOPMENT (SHRI B. BHAGAVATI) : One house has been placed at the disposal of the Indian Airlines Corporation. Market rent will be charged.

SHRI ARJUN ARORA : May I know, Sir, if the Government have any rules, or laid down any procedure for letting out Government housing accommodation to employees of public sector undertakings and, if not, why not ?

SHRI B. BHAGAVATI : Now the Public Accounts Committee has recommended that, having regard to the acute shortage of accommodation for Government servants, the accommodation should not be given to employees of the public undertakings or of the semi-Government organisations. Accordingly now we do not give accommodation to public undertakings' employees or to semi-Government organisations. That is the policy generally followed except in one or two cases, and in this one case deviation was there, but generally the policy enunciated is followed.

SHRI B. K. P. SINHA : In that case, may I know, Sir, if it is the policy of the Government of India to allot lands in Delhi or in the main cities of this country to these public sector undertakings and other associated bodies, so that they can build their own houses in these areas ?

SHRI B. BHAGAVATI : Public undertakings are not only in Delhi, but also in other cities or towns, and they, I think, acquire lands for residential purposes, and they are building their own accommodation.

SHRI D. THENGARI : Is the work of furnishing accommodation to their employees entrusted to the public sector undertakings themselves and, if so, through

which procedure Government ensures that the public sector undertakings discharge their responsibilities ?

SHRI MEHR CHAND KHANNA : The main thing is, we are very short of residential accommodation not only in Delhi, but also in Bombay, Calcutta, Madras, etc. The idea is to go on reshuffling the same pack; when difficulties arise or some important cases are brought to our notice, we make an exception, but generally the policy of the Government is not to make exceptions. Even if we now do so, or are forced to do so, we ask for market rent.

SHRI A. D. MANI : In the case of the public sector undertakings, in respect of those employees who do not get Government accommodation, does Government help them to get houses on the basis of requisitioning them from private owners of houses because this is a fact at least in Bombay where there is an authority which requisitions the houses which are in private hands and give them to Government servants ? Does the Central Government help at least the public sector employees in this matter in this way ?

SHRI MEHR CHAND KHANNA : Sir, the law of requisitioning is there; there is no difficulty about that. As far as the Ministry of Works, Housing and Urban Development is concerned, our main approach to the problem has been that if a request of that nature is received, we tell the party concerned to requisition the house with the concurrence of their Associated Financial Advisers. They can go and take the houses from the public market.

*474. [*The questioner (Shri Sitaram Jalpuria) was absent. For answer, vide cols. 2837-2838 infra.*]

*475. [*The questioner (Shri M. N. Govindan Nair) was absent. For answer, vide cols. 2838-2840 infra.*]

FURNITURE FOR PRIME MINISTER'S RESIDENCE

*476. **SHRI A. D. MANI :** Will the Minister of WORKS, HOUSING AND URBAN DEVELOPMENT be pleased to state :

(a) how much amount was spent on additions and furniture to the building at