

Government why they took this case out of the hands of the Income-tax Circle at Nagpur and handed it over to another Circle

SHRIMATI TARKESHWAR! SiftHA: The as-sessees themselves wanted it. They gave certain reasons that the directors were living in Calcutta, that their main business was in Calcutta, that their books of accounts were being maintained in Calcutta and they also said that they were going to shift their offices to Calcutta, and that is why these cases were transferred. Naturally, the Government takes all these relevant factors into consideration when deciding accordingly,

SHRI PANNALAL SARAOGI: For the purpose of the head office of a company to be transferred from one State to another State it is incumbent on the company concerned to apply to the High Court of that State first, and then and then only permission is granted, but would the Finance Minister consider that in circumstances where the revenues of a particular State are really being affected in this "manner whether Government have to bring out a law whereby such a transfer would be allowed?

MR. CHAIRMAN: You are making a suggestion.

SHRI MORARJI R. DESAI: It is a suggestion for action.

SHRI BHUPESH GUPTA: Although I come from Bengal and my State will be the gainer, still I would like to ask the question. Since the industries are located there and the income-tax is derived actually from the earnings there, why in that case should Madhya Pradesh suffer just because the head office happens to be in Calcutta or some other place. May I "know, Sir, if this important aspect of public interest, and the interests of Madhya Pradesh in this particular case were duly taken into account "before accepting the request for the transfer of the assessment from that State to West Bengal?

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SHRI MORARJI R. DESAI: It is very difficult to answer such an involved question.

MR. CHAIRMAN: He wants to know whether the interests of the State in which the industry is situated will suffer on account of this arrangement.

SHRI MORARJI R. DESAI: I have no complaints from any State in this regard.

SHRI R. S. KHANDEKAR: May I know where these companies pay their tax, in Calcutta or in Gwalior where their registered office is located?

SHRI MORARJI R. DESAI: This will have to be found out. I cannot say offhand.

#### **GOLD BONDS SCHEME**

f SHRI M. N. GOVINDAN

\*w\* 1 SHRI B. D. KHOBARA-(  
GADE:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that response to the Gold Bonds Scheme has not been satisfactory:

(b) if so, what are the reasons therefor;

(c) what is the quantity and value of gold so far deposited under the Scheme; and

(d) what is the estimated total value of private holdings of gold in India?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI B. R. BHAGAT): (a) and (b) The Gold Bonds Scheme is one of the measures taken by Government for dissuading the public from the uneconomic habit of hoarding gold. The response to the Gold Bonds Scheme cannot, therefore, be judged in isolation, at any rate,

\$The question was actually asked on the floor of the House by Shri M. N. Govindan Nair.

before the sale of the Bonds is discontinued.

(c) 20-37 lakh grammes, valued at approximately Rs. 109 lakhs, according to reports received up to 18th January, 1963.

(d) No official estimates of private stocks of gold holdings in India are available..

SHRI B. D. KHOBARAGADE: May I know, Sir, whether the hon. Minister is aware that private holdings of gold in this country amount to approximately Rs. 4,000 crores and, if so, is it not a negligible amount of gold that has been deposited in the Gold Bond Scheme?

SIRU MORARJI R. DESAI: There is no exact calculation by anybody. These are all guesses and I cannot rely on guesaeag.

SHRI B. D. KHOBARAGADE: May I know, Sir, what is the assessment of the hon. Minister so far as private holdings of gold are concerned

SHRI MORARJI R. DESAI: I have no estimate.

SHRI M. N. GOVINDAN NAIR: May I know, Sir, whether the Reserve Bank has made any assessment on this question, about the quantity of gold?

MR. CHAIRMAN: Has the Reserve Bank given any estimate?

SHRI MORARJI R. DESAI: The Reserve Bank has not made any estimate.

SHRI BHUPESH GUPTA: Is it not a fact that the Ministry of Finance issued a note some time back in which it was shown that the private gold holdings in our country would be of the order of Rs. 2,000 crores at that time? That was about a year ago, and then recently, they had issued

another note in which, it had been shown that the total value of the gold holdings would be about Rs. 4,000 crores in Indian prices. Do I understand that these notes have no validity, or they were just issued for nothing?

SHRI MORARJI R. DESAI: Some, people said so and we said what some people said.

MR. CHAIRMAN: It is really anybody's guess. Two figures have been mentioned. You mentioned Rs. 2,000-crores; he mentioned Rs. 4,000 crores and I have read Rs. 8,000 crores. somewhere.

SHRI BHUPESH GUPTA: Kindly understand my question. Sir. It is not anybody's guess. It is the estimate—rough estimate naturally—of the Ministry of Finance, the great Ministry of Finance. Therefore it is: not anybody's guess.

MR. CHAIRMAN: But the Finance Minister said that the Finance Ministry has made no estimate. It is only said by some people that it is so much.

SHRI BHUPESH GUPTA: I just reminded him because I have read this. paper.

SHRI B. D. KHOBARAGADE: One thing is clear from the reply given by the hon. Minister, namely that the response to the Gold Bond Scheme has been very poor. So in view of this poor response and in view of the national emergency which we are experiencing today, what steps do the Government propose to take to bring out the gold holdings from the private people?

SHRI MORARJI R. DESAI: The Gold Board has been established and some rules have been made, but even then I cannot guarantee that they will bring forth all the gold that is there, and we propose to take no compulsory steps. There are no steps contemplated to compulsorily take the gold from anybody.

SHRI T. S. AVINASHLINGAM CHETTIAR: In view of the Gold Bond Rules that have been recently issued, is there an upward trend in this Gold Bond Scheme?

SHRI MORARJI R. DESAI: Before the Gold Bond Rules were issued, there were about Rs. 69 lakhs worth of Gold Bonds taken, and then, within about 10 or 12 days of the issue of such Rules, it has gone up to Rs 109 lakhs.

SHRI A. D. MANI: Has any information been received by Government about the investment by Members of Parliament in Gold Bonds?

SHRI MORARJI R. DESAI: I do not presume that Members of Parliament have a lot of gold.

SHRIMATI DEVAKI GOPIDAS: May I know, Sir, if the Government is aware that an assurance from the Government side to the effect that the gold that is forthcoming for investment in Gold Bonds will not be taxed in future will give a fillip to investment in gold bonds?

SHRI MORARJI R. DESAI: It has been given in the Press that those who invest in Gold Bonds will not be questioned about the source of gold at all.

SHRIMATI DEVAKI GOPIDAS: Nobody believes it because it is not published in the gazette.

SHRI M. N. GOVINDAN NAIR: May I know, Sir, whether there is any truth in the news that from one source alone in Bangalore the Central C.I.D. unearthed Rs. 35 lakhs worth of gold?

MR. CHAIRMAN: From where?

SHRI M. N. GOVINDAN NAIR: There was a news item in the Press that Rs. 35 lakhs worth of gold was unearthed by the Central Intelligence.

SHRI MORARJI R. DESAI: I do not know.

### KOLAR GOLDFIELDS

♦441. SHRI A. D. MANI: Will the Minister of FIWANCB be pleased to state:

(a) whether one of the mines in the Kolar Goldfields has recently been closed; and

(b) if so, what is the number of those who have been thrown out of employment as a result thereof and what steps Government are taking to rehabilitate them?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI B. R. BHAGAT): (a) No, Sir.

(b) Does not arise.

SHRI BHUPESH GUPTA: May I know, Sir, whether the various allegations or things that have been said about this goldfield have been gone into recently by the Government with regard to the working of the gold-fields in Kolar?

SHRI MORARJI R. DESAI: I do not know what allegations the hon. Member refers to. I have received no allegation.

SHRI BHUPESH GUPTA: The hon. Minister may not have but it seems that the matter came up even in the Mysore Assembly and also memoranda were submitted to the Central Government by the workers' union and others, I believe, pointing out certain defects and shortcomings and even malpractices in the running of the goldmines.

SHRI MORARJI R. DESAI: I do not know that.

SHRI K. SANTHANAM: May I know, Sir, if the goldfields have been taken over formally by the Government of India?

SHRI MORARJI R. DESAI: They have been taken over from the 1st of December.