

LOK SABHA

Monday, April 1, 1968/Chaitra 12,
1890 (Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

**Income-tax assessment of Messrs. Ram
Narain and Sons, Bombay.**

*958. SHRI MADHU LIMAYE: Will
the Minister of FINANCE be pleased
to state:

(a) whether it is a fact that in the
Income-tax assessment cases of M/s.
Ram Narain and Sons, Bombay men-
tioned in the letter written by a
Member of Parliament to the Finance
Minister in August, 1967 that the then
Director of Inspection (Investigation)
gave instructions to the Income-tax
Officers concerned in Bombay that in
completing these assessments, the re-
turns filed by the firm should be
taken as the basis and that no out-
side party should be called or any
investigation should be made into the
concealed income;

(b) whether it is a fact that the
Officer called upon to look into the
matter after the receipt of M.P.'s
letter suggested that this was a fit
case for being re-opened; and

(c) if so, the reasons for not re-
opening the case not debarred under
the Income-tax Act?

THE MINISTER OF STATE IN
THE MINISTRY OF FINANCE (SHRI
K. C. PANT): (a) No such instruc-
tions for making the assessments were
issued. The Director of Inspection,
who was supervising the investiga-
tions in the cases of the group, had

called for a report from the Income-
tax Officer and, for the limited pur-
pose of this report, the Income-tax
Officer was asked not to summon any
outside parties but only to state the
total income on the basis of accounts
maintained by the assessee and the
points which required detailed inves-
tigation.

(b) No, Sir. The question of re-
opening assessment for only one year,
viz., 1949-50, as a result of Income-
tax Appellate Tribunal's order in an-
other case is under examination.

(c) Does not arise.

श्री भूषु लिमये: अध्यक्ष महोदय, 5
दिसम्बर, 1967 को वित्त मंत्री जी का मुझे
इस सम्बन्ध में एक पत्र मिला। वह लम्बा
पत्र है लेकिन मैं उसका एक ही अनुच्छेद आपके
सामने रखना चाहता हूँ :

"The facts are that speculation
losses amounting to Rs. 58.72
lakhs were claimed by Messrs.
Ram Narain and Sons for the as-
sessment years 1944-45 to 1951-52.
In three of these assessments the
income-tax officer had disallowed
losses of Rs. 36.65 lakhs. The
remaining five assessments were
pending. The case was transfer-
red to the investment circle. In
view of large amounts claimed as
deductions, the case was trans-
ferred to the charge of the Com-
missioner of Income-tax, Central,
Bombay. The Board also direct-
ed the Director of Inspection and
Investigation to look into the case
and give appropriate instructions.
The Director of Inspection and In-
vestigation gave instructions that
out of Rs. 58.72 lakhs claimed in
all these years, a sum of Rs. 18.29
lakhs was to be disallowed and
the balance was to be disallowed."

SHRI UMANATH: The letter may be placed on the Table* of the House.

MR. SPEAKER: Let him ask the question.

श्री मधु लिमये : मंत्री महोदय क्या कृपा करके बतायेंगे कि इनके जो स्पेकुलेशन लासेज 40.49 लाख के स्वीकारे गए हैं तो उसका मतलब है कि किसी को फायदा हुआ तो जिनको फायदा हुआ, जो रिसीपिएन्ट्स हैं उनके फायदे पर इनकम टैक्स विभाग ने इनकम टैक्स लगाया था और वसूल किया था? यदि नहीं, तो मैं जानना चाहता हूँ कि चूँकि इस पार्टी को इससे 40.49 लाख का फायदा हुआ है, क्या इसके ऊपर नये सिरे से असेसमेंट करने के लिए इनकम टैक्स ऐक्ट के सेक्शन 148 और 149 के तहत मामले को दोबारा उठाया जायेगा?

सेक्शन 147 और 149 में लिखा हुआ है।

"The income-tax officer has in consequence of information in his possession reason to believe that Income-tax chargeable... to assessment for any assessment year...".

मैंने तो इनको पहले ही इन्फार्मेशन दे दी है। श्री इसमें कहा गया है :

"If tax which has escaped assessment amounts to or is likely to amount to Rs. 50,000 or more...".

यह मामला 40 लाख का है, 50 हजार का नहीं। इसलिए क्या मंत्रीजी उनके नाम बतायेंगे जो कि रिसीपिएन्ट्स हैं और क्या उनके ऊपर टैक्स लगाया गया है और वसूल किया गया है? यदि नहीं, तो जो मैंने जानकारी दी है उसके आधार पर दोबारा मामला खोला जायेगा?

SHRI K. C. PANT: The first question is about the recipients. As far as I understand it, if more losses are disallowed the recipient is the person who gains advantage, Messrs. Ram Narain and Sons. Nobody else gains advantage if more losses are allowed.

In so far as the second question is concerned, namely, whether the old case can be reopened, assessments can be reopened only within sixteen years, unless to give effect to an appellate order. Therefore most of these cases, except one or two, were time-barred.

श्री मधु लिमये : मेरे प्रश्न का उत्तर बिल्कुल नहीं दिया। मैं अपने पत्र से पढ़ूँ मैंने पूछा था :

"What are the names of persons in whose cases the speculation losses allowed to Messrs. Ram Narain and Sons Private Ltd., have been considered for assessment and if so in what years? If speculation losses of Rs. 40 lakhs allowed to Messrs. Ram Narain and Sons and also over Rs. 50 lakhs to Kilachand Devichand have not been recovered in the hands of recipients, cannot this be considered as a new fact within the meaning of sections 147 and 149 of the Income-Tax Act and the cases re-opened?"

SHRI S. M. BANERJEE: This should also be laid on the Table.

MR. SPEAKER: You seem to be laying too many things on the Table. Let him put the question.

श्री मधु लिमये : उन्होंने इसका बिल्कुल जवाब नहीं दिया।

SHRI K. C. PANT: As I said, the assessments can be reopened only within sixteen years. But if there is any other information that can be

*Shri Madhu Limaye then laid the document on the Table of the House. [Placed in Library. See No. LT-725/ 88].

get, we shall get it . . . (Interruptions.)

श्री मधु लिमये : श्रीर कौन सी इन्फोर्मेशन आपको चाहिए ?

मेरा दूसरा प्रश्न यह है कि मोरारजी भाई का पत्र मैंने पढ़ा उसमें कहते हैं कि तीन असेसमेंट्स में इनकम टैक्स आफिसर ने कहा कि 36 लाख का लाभ नहीं माना जायेगा और 5 असेसमेंट्स पेंडिंग थे, उनमें भी फैसला खिलाफ होने जा रहा था, इसलिये केन्द्र ने हस्तक्षेप कर के कहा कि 40 लाख 39 हजार इनको माफ करो, तो यह जो केन्द्र का हस्तक्षेप हुआ है—मैं मंत्री जी से सीधा सवाल पूछना चाहता हूँ—इसके जो कारण बताये गये हैं और जो इनका लास था उसको तो कबूल किया, क्या यह उचित था या अनुचित था और अगर अनुचित था तो इसके बारे में पुनर्विचार करेंगे ?

THE DEPUTY PRIME MINISTER AND MINISTER OF FINANCE (SHRI MORARJI DESAI): May I say this in the first instance? These are matters which are more than 12 years old. That is the first thing which must be borne in mind.

श्री मधु लिमये : आप 16 साल के मामले खोल सकते हैं ।

SHR MORARJI DESAI: That is all right. The orders that were passed were also ten or twelve years old.

श्री मधु लिमये : तो क्या हुआ ।

SHRI MORARJI DESAI: I am not saying . . . (व्यवधान) . . .

आप मेहरबानी कर के सुनें तो सही ।

Therefore, we went into this and got the information which I readily supplied to the hon. Member. As is evident from the letter written to him . . .

श्री मधु लिमये : उसके बाद फिर मैंने चिट्ठी लिखी ।

SHRI MORARJI DESAI: I have also replied to you. I have never ceased replying to you and you have never ceased writing to me. That is a fact. I am trying to give you satisfaction on facts. I am not trying to have a dispute with you. The assessments which he says should be reopened cannot be reopened under the ordinary law because 16 years limit had been laid down by the amended law. There is provision that it can be done if the appellate authority says there is something else to be done. Recently, there has been one case of appellate order in which they had said that there were some benami transactions in this matter. That is being examined as to how it can be done. If it can be opened, it will be opened. There is no question of not opening it. It was stated that so much of losses were allowed by the special officer or the commissioner to whom this was entrusted. It was done by him, not by the Government from here. The Board received some complaints that there was some arbitrary handling in this case.

एक माननीय सदस्य : हूँ . . .

SHRI MORARJI DESAI: There is no question of *hum* or *ham*.

श्री मधु लिमये : सब लोग समझ रहे हैं ।

श्री मोरारजी देसाई : सबको समझने दो । जिनको समझना है वे समझ लें ।

श्री मधु लिमये : आप सारे सत्य को सदन के सामने रख दीजिए ।

श्री मोरारजी देसाई : इसमें सत्य को छिपाने की कोई बात ही नहीं है ।

सत्य खोलने का सवाल ही नहीं है । सत्य का इजारा माननीय सदस्य ने नहीं ले रखा है यह मैं कहना चाहता हूँ । गवर्नमेंट

का जहाँ तक सवाल है उसे यह देखना है कि : हर एक को ईसाफ मिले। अब किसी के बारे में वह बात मालूम हो कि उस का बहुत ज्यादा असैसमेंट कर दिया गया है और स्पेशल कमिश्नर को यह मालूम हो कि उस में आरविट्टेरेली एसेसमेंट किया गया है और वह स्पेशल कमिश्नर को एज ए स्पेशल केस। इनवेस्टिगेट करने के लिए दिया जाता है तो इस में कोई गलत बात नहीं होनी चाहिए (व्यवधान)।

श्री मधु लिमये : मंत्री महोदय ने अपने मूल उत्तर में इस बात को स्वीकार किया है कि इनकम टैक्स आफिसर को बाहर वालों को, आउटसाइड पार्टीज को न बुलाने का आदेश दिया गया था और कहा था कि छिपाई गई आय के बारे में और कोई जांच नहीं की जानी चाहिए। हालांकि अधिकारियों ने वह सुझाव दिया था कि वह पूरा मामला पुनः खोला जाना चाहिए लेकिन वह मामला पुनः पूरे सिरे से नहीं खोला गया . . . (व्यवधान)

श्री मोरारजी देसाई : मुझे लगता है कोई अधिकारी ने खबर दी होगी जो कि असन्तुष्ट होगा। वह ही ऐसा कह सकता है। ऐसे ही खबरें मिलती हैं . . . (व्यवधान)

श्री स० मो० बनर्जी : इट एज ऐन ऐसपरशन ग्राउन एन आनरेबुल मंत्री (व्यवधान)

श्री मधु लिमये : अध्यक्ष महोदय, मैं बहुत तकत के साथ प्रकट करना चाहता हूँ कि इन के पाप को इसी तरह खोला जाता है जो असन्तुष्ट लोग होते हैं वह आकर बतलाते हैं और तब हम उन की जांच करते हैं कि वह सत्य हैं या असत्य। वह हमारे ऊपर आरोप कर रहे हैं, रिफ्लेक्शन कास्ट कर रहे हैं। हम में भी विवेक बुद्धि है और जो कहते हैं उस की सत्यता की परीक्षा हम करते हैं और जो बातें सत्य होती हैं उसी को हम रखने की कोशिश करते हैं।

श्री मोरारजी देसाई : सत्य की परीक्षा यदि माननीय सदस्य करते हैं तो हमारा उसके साथ झगड़ा क्या हो सकता है बाकी गवर्नमेंट के नाते हम भी यदि सत्य की परीक्षा करते हैं तो उस के साथ माननीय सदस्य क्यों झगड़ा करते हैं ?

श्री मधु लिमये : मैं झगड़ा कहाँ कर रहा हूँ ?

श्री मोरारजी देसाई : अब बात तो वही हो रही है। माननीय सदस्य चार्ज कर रहे हैं कि गवर्नमेंट ने गलत तरीके से यह बात को मैं यह कहता हूँ कि गवर्नमेंट ने इस में कोई गलती नहीं की है। गवर्नमेंट को दोनों पक्षों को जस्टिस देनी चाहिए। अब इस तरह से आनरेबुल मंत्री को कोई आदमी ऐसी इनफोरमेशन देता है तो उस के साथ मेरा झगड़ा नहीं है। लेकिन अगर असन्तुष्ट आदमी ऐसी इतिला देता है तो हमेशा उस की बात सही ही नहीं होती है कई बार दूसरी भी बात होती है। इसलिये दोनों बातों को देखना चाहिए। गवर्नमेंट की जिम्मेदारी इस में काफी होती है। और जैसा मैंने कहा कि कमिश्नर ने उन को यह कहा कि यह हकीकत भेज दो क्योंकि वह टाइम वाई हो जाता और साथ ही इस में और पार्टीज को बुलाने की भी जरूरत नहीं है और उनके पास जितना मैकीरियल हो वह हमारे पास भेज दें। इसमें कोई उल्टी सीधी बात नहीं हुई है जैसा कि माननीय सदस्य आशंका प्रकट कर रहे हैं। अब इनकम टैक्स आफिसर ने एमैसी पर रकम लगा दी, अपील करने पर एपेलेट आफिसर ने उसे रिवाइज कर दिया, कुछ दूसरा किया तो वह चीज गलत है यह बात मैं स्वीकार करने को तैयार नहीं हूँ।

SHRI S. M. BANERJEE: In a previous case, where an amount of Rs. 31 lakhs was remitted in the case of Shri Ram Ratan Gupta, another Congressman.

MR. SPEAKER: That is entirely a separate question.

SHRI S. M. BANERJEE: It was a precedent. Shri Ram Ratan Gupta was a Member of this hon. House. That amount was remitted, but on repeated questions in this House and in the other House, the hon. Minister Shri Morarji Desai, knowing fully well that another Minister remitted the whole thing, promised to re-open the case and it has been reopened. I would like to know why in this particular case, he is hesitating to reopen the case and whether it is a fact that Mr. Ruia is connected with some of the very senior Congressmen and he is being influenced politically by some of those men who are well-known to him . . .

MR. SPEAKER: It is again an insinuation. (*Interruption*).

श्री स० मो० बनर्जी : चोर की दाढ़ी में तिनका ।

MR. SPEAKER: Please put your question. In a supplementary there should not be any insinuation. What we will get out of it is, we will only lose time on other questions. Without insinuation, he should put the question. Without bringing in some party or somebody when it becomes an insinuation he can put his supplementary question.

SHRI S. M. BANERJEE: I did not make any insinuation. Shri Ram Ratan Gupta is a prominent member of the Congress. I am only telling him that in that case, Rs. 31 lakhs was remitted. To repeated questions, the hon. Minister of Finance, Shri Morarji Desai, had promised in this House that the case would be reopened, and it had been reopened. Why in this case particular case of Ruia,—they are helping the Congress—is action not being taken to reopen the case. (*Interruption*).

MR. SPEAKER: The question is, why it should not be reopened.

SHRI MORARJI DESAI: May I say that in the other case, it was a question of writing off certain things as irrecoverable. And then, when other facts come to the notice that there were some wrong transactions which were not brought to the notice of the Ministry, it could be reopened under the law, because it was a question of being within 16 years. That was why it was reopened. That should prove the *bona fides* of the Government, and the Government is always willing to reopen it and it is ready to reopen it if it is proper to do so. In this case, it is not possible to do so under the law, and still I am saying that now recently a decision has come, of an appellate tribunal, that there have been some other transactions in this very case. We are examining the law how it could be reopened. And if it can be reopened, it will be reopened.

SHRI UMANATH: From the hon. Minister's answer, it is obvious that there has been Central intervention in favour of this big business group to which the company belongs. He himself admitted that instructions have been sent that while assessing and investigating the records, no outsider should be called,—I have followed it very closely,—and that the officer must rely upon the figures and accounts given by the company itself. I would like to know why this Central intervention was resorted to and why reliance was placed on the figures of the company and no outsider should be called, and whether it is a fact that this particular group which belongs to, and is, one of the 75 big business companies declared by the Monopolies Inquiry Commission has made a substantial contribution to the ruling party, the Congress, and that was the reason why this special Central intervention was there, and (b). whether it is a fact that—I am now bringing in a serious thing.

MR. SPEAKER: So, the other was not serious!

SHRI UMANATH: It is more serious. I want to know whether it is a fact that the Chairman of the Direct Taxes Board and some officials in that Ministry had tried to bring pressure on our Secretariat here not to admit this question. I would like to know specifically the answer to (a) and (b).

SHRI MORARJI DESAI: There has been no question of any pressure being brought in not to allow this question. The Ministry has never said that this question should not be answered: how could it ever arise? These are all imaginary things which the hon. Member is showing.

SHRI UMANATH: The Chairman of the Direct Taxes Board. I have specifically stated it.

SHRI MORARJI DESAI: I had said that the Chairman of the Direct Taxes Board had issued instructions to the Special Commissioner to go into this question and had transferred the case to that Commissioner, because....

SHRI UMANATH: What is the reason for this special favour being shown?

SHRI MORARJI DESAI: It is not a special favour.

SHRI UMANATH: That an outsider should not be called.

SHRI MORARJI DESAI: That is what the Commissioner did; the Chairman of the Board of Direct Taxes did not say that. (*Interruption*).

माननीय सदस्य जरा शांति रखें । इतना गुस्सा आखिर क्यों करते हैं ? उन का तो किसी ने कुछ नहीं ले लिया है ?

श्री मधु लिमये : मंत्री महोदय यह कैसे बोल रहे हैं ? मुझे इस पर सब्त ऐत-राज है । यह ठीक है कि व्यक्तिगत रूप से मेरा इन्फे घेले का सम्बन्ध नहीं है लेकिन चूँकि गरीबों पर सरकार

टेक्स लगाती है और अमीरों को इस मामले में छोड़ दिया जाता है इसलिये मुझे इन सवालियों को यहां सदन में उठाना पड़ता है ।

श्री मोरारजी देसाई : अमीर को छोड़ने की अगर कानून में किसी जगह कोई व्यवस्था है तो उसे जरूर छोड़ा जायगा माननीय सदस्य चाहे कुछ भी कहें बाकी अमीर और गरीब के लिए कानून एक है, दो नहीं हैं । गवर्नमेंट को इंसाफ सभी को देना है । गरीब, अमीर सभी को उसे इंसाफ देना है । माननीय सदस्य जितनी गालियां देना चाहें दे लें लेकिन यह बात नहीं हो सकती है कि किसी को इंसाफ न दिया जाये यही इस मामले में किया गया है । इस में कोई बेइंसाफी की बात नहीं है ।

Willingdon Hospital Workers' Union

- *959. **SHRI R. K. AMIN:**
SHRI D. R. PARMAR:
SHRI P. N. SOLANKI:
SHRI ATAL BIHARI VAJ-PAYEE:
SHRI KAMESHWAR SINGH:
SHRI RAM SEWAK YADAV:
SHRI MOHAN SWARUP:
SHRI KIKAR SINGH:
SHRI N. SREEKANTAN NAIR:
SHRI NIHAL SINGH:
SHRI S. M. BANERJEE:
SHRI RAMACHANDRA J. AMIN:
SHRI UMANATH:

Will the Minister of HEALTH, FAMILY PLANNING AND URBAN DEVELOPMENT be pleased to state:

(a) whether Government have received any complaints from the officials of the Willingdon Hospital Workers' Union (Regd.) against some high authorities of the Willingdon Hospital management regarding the rude behaviour towards some office-bearers of the Hospital Workers' Union; and