

Tax Liabilities of former Chief Minister of Orissa

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- *336. **Shri Madhu Limaye:**
Shri Kishen Pattanayak:
Shri Hari Vishnu Kamath:
Shri Surendranath Dwivedy:
Shri Hem Barua:

Will the Minister of Finance be pleased to refer to the reply given to Unstarred Question No. 4015 on the 1st September, 1966 and state:

(a) whether the investigations into the tax liabilities of tax evasion by the former Chief Minister of Orissa and the Companies and firms with which he has been connected, have since been completed;

(b) if so, the action taken by Government by way of adjudication/prosecution/arbitration;

(c) the quarter from which the vague threats mentioned in the above reply had emanated; and

(d) the action, if any, taken by the various Central agencies against the persons giving these threats?

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):

(a) and (b) Enquiries by the Income-tax Department relating to the tax liabilities of Kalinga Foundation Trust and the personal case of Shri Biju Patnaik have been completed and the evidence gathered by the Department has been put to the assessee.

Shri Rauga: At long last.

Shri B. R. Bhagat: Final findings can be arrived at only after considering the reply and the evidence that may be produced by the assessee.

Shri Hari Vishnu Kamath: After the elections.

Shri B. R. Bhagat: As regards other concerns, with which Shri Patnaik is connected, the investigations are still in progress.

(c) No enquires regarding their source were made.

(d) Does not arise.

श्री मधु लिमये : अध्यक्ष महोदय, उन्होंने कहा कि बाकी फर्मों के बारे में जांच चल रही है। अभी पबलिक एकाऊंट्स कमेटी की यह 60वीं रपट आई है उसमें कलिंगा ऐयरवेज के बारे में बहुत सारी बातें आई हैं सामने जिनका कि सीधा सम्बन्ध टैक्स से रहता है। पबलिक एकाऊंट्स कमेटी ने 12वें पृष्ठ पर कहा है कि क्या क्या गलतियां हुई हैं :

“verifying the capacity, capability and financial condition and stability of the company;”

that is, Kalinga Airways.

“making any comparative study of the rates quoted by the Company with those paid to other companies who had either worked or were working for the NEFA Administration;”

मैं सब नहीं पढ़ूंगा केवल कुछ खास खास पढ़े दे रहा हूँ :

“giving an opportunity to the other two companies who had responded to the tender-notice, to requote if they desired, when a decision to award the contract for a longer period (3 years instead of one year) had been taken.....”

अध्यक्ष महोदय, ज्यादा पैसे दे इना हिसाब किताब उन के साथ अभी तक तय न करना इस तरीके की कई गैरकानूनी प्रक्रियाएँ इस के सम्बन्ध में हुई हैं मैं मंत्री महोदय से यह जानना चाहता हूँ कि क्या सरकार ने यह 60वीं रिपोर्ट के आधार पर नये सिरे से जहाँ तक कलिंगा ऐयरवेज का सम्बन्ध है इस के साथ भूतपूर्व उड़ीसा के मुख्य मंत्री श्री ब्रिज पटनायक जुड़े हुए थे तो क्या उस के बारे में नये सिरे से जांच करने का फैसला किया है ?

वित्त मंत्रालय में राज्य-मंत्री (श्री ब० रा० भगत) : अब यह रिपोर्ट जैसा कि माननीय सदस्य ने कहा अभी आई है और यह जो इनवैस्टिगेशन चल रही है उस में कॉलगा ऐयर-वेज भी है तो जो कुछ भी पब्लिक एकाऊंट्स कमेटी ने उस में कहा है वह सब इनवैस्टिगेशन में भी देखा जायगा। अब यह इनवैस्टिगेशन तो टैक्स की लाइबिल्टी के बारे में है बाकी उन फाइनेंशियल इररंगूलरटीज आदि चीजों का जिक्र किया है उन का टैक्स लाइबिल्टी पर जो असर पड़ता है उसे जरूर देखा जायेगा।

श्री मधु लिमये : इसी रपट में 33वें पृष्ठ पर इस कम्पनी के ठेके का जो नवीकरण किया गया उसका जिक्र है। उस समय जो सुरक्षा मंत्री थे उन की यह गय थी कि इस ठेके को आगे न बढ़ाया जाय और यहां तक उन्होंने कहा है :

"he was of the opinion that the work was connected with defence operations and should be done by the Air Force by acquiring extra aircraft" etc.

लेकिन आगे पब्लिक एकाऊंट्स कमेटी कहती है। अगला वाक्य देखिये :

"The thinking in the Ministry of Defence apparently underwent a radical change subsequently, for reasons not easy to understand,".

अध्यक्ष महोदय, पिछली बार भी उन्होंने मानी पी०ए०सी० ने श्रीमती चन्द्र प्यारेलाल कम्पनी के बारे में जिक्र किया था। अब इस वक्त जो नये लोहपुरुष गृह मंत्री बने हैं वह जब सुरक्षा मंत्री थे तो इस तरीके के काम वे करते थे। पब्लिक एकाऊंट्स कमेटी पूरे सदन की कमेटी है। इन सब बातों का भी ध्यान सम्बन्ध टैक्स की चोरी से है तो मैं मंत्री महोदय से जानना चाहता हूँ कि क्या इस के बारे में उन्होंने जानकारी हासिल की है यदि नहीं की है तो पब्लिक एकाऊंट्स कमेटी ने यह जो रपट दी है उस की रोशनी में यह ठेका जिस डंग से कलगा ऐयरवेज को दिया गया आखिर उस का कारण क्या था उस का पता लगाया जाय। वह समय

में नहीं आ रहा है। पब्लिक एकाऊंट्स कमेटी इस सदन की कमेटी है उस की समझ में यह नहीं आ रहा है तो मैं जानना चाहता हूँ कि क्या उस की भी जांच की जायगी ?

श्री ब० रा० भगत : मैंने पहले भी कहा और उसको फिर दुहराये देता हूँ कि उन बातों का जिनका जिक्र पब्लिक एकाऊंट्स कमेटी ने किया है और उन में जो टैक्स लाइबिल्टी पर असर पड़ेगा उस की जरूर जांच की जायगी। लेकिन जब तक उस इनवैस्टिगेशन की रिपोर्ट मेरे पास नहीं आ जाती...

श्री मधु लिमये : वह रपट आप देख लीजिये मैं दिख देता हूँ।

अध्यक्ष महोदय : वह इनवैस्टिगेशन की रिपोर्ट के बारे में कह रहे हैं।

श्री मधु लिमये : यह लोक सभा मंत्र 22 दिसम्बर को खत्म होगा और उस के बाद केवल एक लेमडक सेशन होगा। तो यह सारे मामले कब आयेंगे ? चुनाव के पहले आयेंगे या नहीं इस की जानकारी मैं चाहता हूँ ?

अध्यक्ष महोदय : यह मैं कैसे कह सकता हूँ ?

श्री मधु लिमये : सब ठिपठा रहे हैं। चोरों की टोली है।

श्री सिंहासन सिंह : क्या मंत्री जो इस तरह से कह सकते हैं कि जिस पब्लिक एकाऊंट्स कमेटी की रिपोर्ट सदन पटल पर रख दी गई हो वह उन को न मिला हो ?

अध्यक्ष महोदय : यह उन्होंने नहीं कहा।

श्री मधु लिमये : यही कहा है।

अध्यक्ष महोदय : उन्होंने उस रिपोर्ट के बारे में कहा है जोकि तहकीकात हो रही है।

श्री ब० रा० भगत : माननीय सदस्य ने गलत सुना है। मैंने यह कभी नहीं कहा। पब्लिक एकाऊंट्स कमेटी की रिपोर्ट तो सब को उपलब्ध है।

Shri Hari Vishnu Kamath: My name has been clubbed with this question but the matter which I have

been pursuing is slightly different; it refers to the statement alleged to have been made by Shri Bijoyanand Patnaik, former Chief Minister of Orissa, some years ago to the effect that ten years earlier he was a pauper and now he is worth Rs. 10 crores. That was the statement alleged to have been made by him, namely,—

"I was a pauper ten years ago, now I am worth Rs. 10 crores; I am sorry, I have not got more."

On this, the question was raised and it was pursued for the last two years. May I know whether the investigation has been made with regard to that amount, whether it is Rs. 10 crores or more, and, if so, whether the tax has been paid on that amount? What is the position with regard to that investigation? May I know whether C.B.I. has been entrusted with the investigation or any other agency of the Central Government is carrying on the investigation with regard to this amount of Rs. 10 crores amassed by him in a few years?

Shri B. R. Bhagat: This money, if at all it has been made, is either in his personal capacity or in companies. Because it was said in the House that it concerns the name of an important individual, we separated his personal income assessment and the Kalinga trust which attracted the notice of the House and we took these cases first and completed the investigation. Now, there are a number of companies in which he is either a director or has got some interest in them and they are being investigated. So, the facts will come out.

Shri Hari Vishnu Kamath: Who is investigating it? Is it C.B.I. or any other agency of the Central Government

Shri B. R. Bhagat: It is not a matter of C.B.I.; it is a matter of tax evasion or tax liability. It is the Income-tax authorities.

Shri Ranga: In spite of the Income-Tax authorities, he has amassed Rs. 10 crores.

Shri B. R. Bhagat: Let us see the facts first.

Shri Ranga: These are the facts.

Shri Hem Barua: When the anomalies and irregularities indulged in by Shri Biju Patnaik and the Kalinga Airways were pinpointed on the floor of the House, the Government spokesman tried to white-wash the whole issue by all sorts of pre-fabricated replies. This Company was entrusted with the task of air-dropping food in NEFA and there was a clause in the Agreement about reaching the target. They dropped only one-third of the food in NEFA and sold the rest in the local market in Assam at black-market rates under the plea of missing the target. These anomalies and irregularities were pinpointed on the floor of the House and I am very sorry to say that instead of making an inquiry into these allegations, the Government spokesman tried to white-wash the entire issue by all sorts of replies. In the context of this—I am happy that the P.A.C. has pinpointed the anomalies and the irregularities that I had the honour of pinpointing in this House—may I know whether Government propose to give protection to this man called Shri Biju Patnaik because he happens to be an influential man in the Congress Party and ruin the country like that? (*Interruptions*).

Shri Tyagi: Why should the name of the Congress Party be brought in? (*Interruptions*).

श्री मधु सिन्घे : श्रीर क्या है अगर कांग्रेस पार्टी नहीं है तो ।

Shri Hem Barua: He belongs to the Congress Party . . . (*Interruptions*).

Mr. Speaker: Order, order. It is for the Minister to deny it.

Shri Ranga: They are shielding him.

Shri B. R. Bhagat: There is not a single piece of evidence in this matter with which the Opposition can say that the Government is protecting any individual. On the other hand. . . (*Interruption*).

श्री मधु लिमये : यह पूरी किताब पढ़ी हुई है ।

Shri B. R. Bhagat: Let me complete my answer. On the other hand, we have pursued this matter vigorously in spite of the fact that an important individual is involved. The difficulty is . . . (Interruption).

श्री मधु लिमये : क्या किया है । कुछ नहीं किया है । गलत बयान कर रहे हैं ।

Shri Hem Barua: Shri Biju Patnaik is dreaming of becoming the Prime Minister of India although he is a thoroughly corrupt man. (Interruption).

Shri B. R. Bhagat: The difficulty is that it is not the pre-fabricated facts or otherwise that have been stated but it is the pre-digested evidence that has been brought and the Government, responsible as it is, has to analyse those facts before coming to any conclusion.

श्री मधु लिमये : बड़े जिम्मेदार हैं ।

Shri Tyagi: I am glad my hon. friend has made the position clear. He has mentioned that the report about this income-tax evasion had already been made, after inquiry, to the Ministry and that the assessee had been asked to put up his explanation. May I know when he was asked to put up his statement and by which time will the matter be finally decided? I hope, in the light of the Congress's name being used, the Minister will see to it that it is expedited soon.

Shri B. R. Bhagat: As far as these two cases are concerned in which the investigation has been completed, only on the 31st October, a notice has gone to him; he wanted some time. Some time may be given. But certainly this will be finalised much before the elections.

Shri Ranga: In spite of the fact that these and other investigations are said to have been set in motion by Government through the various agencies and in the face of the report made by the CBI which the House itself has

taken notice of so long ago, how is it, apart from the Congress itself for whose good name or bad name my hon. friend, Mr. Tyagi, wants to stand up here, the Government invited this gentleman who is living under these shadows—not one but so many shadows and investigations—to be present at the National Development Council which is supposed to be bigger than the Cabinet and which is open only to the Chief Ministers of States and some Ministers at the Centre. How was this gentleman who is with this bad reputation invited there? How does Government justify that?

Shri B. R. Bhagat: The matter came up in this House and it was clarified.

Shri Ranga: The Finance Minister was a member of the National Development Council.

Exchange Value of Indian Rupee

*337. **Dr. L. M. Singhvi:** Will the Minister of Finance be pleased to state:

(a) whether Government are aware that Indian currency is used in exchange transactions in Hongkong, Bangkok and other countries of South and East Asia and that Indian currency is exchanged at a heavy discount even after devaluation;

(b) whether Government have any machinery to study such data;

(c) and if so, the results of such studies after devaluation;

(d) whether Government have been able to detect the *modus operandi* and the magnitude of such illicit export and exchange of Indian currency abroad and the purposes for which it is used; and

(e) if so, the broad details thereof?

The Minister of Finance (Shri Sachindra Chaudhuri): (a) Yes Sir. Government is aware that Indian currency is used in exchange transaction in some countries of South East Asia and such transactions are carried out at a discount of Indian Currency.