

THE
PARLIAMENTARY DEBATES
(Part I—Questions and Answers)
OFFICIAL REPORT

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HOUSE OF THE PEOPLE

Wednesday, 26th August, 1953.

*The House met at a Quarter Past Eight
of the Clock.*

[MR. DEPUTY-SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS.

INCOME TAX (ASSESSMENT)

*825. **Dr. M. M. Das:** Will the Minister of Finance be pleased to state:

(a) the number of State Trading Firms and Corporations under the Government of India that have paid or have been assessed for Income Tax for 1952-53;

(b) the total amount of capital invested by Government in concerns that have been assessed for Income Tax for 1952-53; and

(c) whether any interest is charged and paid for the capital invested in such concerns and if so, the rate of such interest?

The Deputy Minister of Finance (Shri M. C. Shah): (a) The number of such Corporations whose assessment for 1952-53 has actually been completed is only 2.

(b) The total amount of capital invested by the Government of India in the two Corporations is Rs. 2,46,70,000.

(c) Interest is not payable on share capital and no interest has been charged from the two Corporations in question on the capital invested in them.

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Dr. M. M. Das: May I know the names of corporations which have been assessed to income-tax?

Shri M. C. Shah: The Indian Rare Earths and the Industrial Finance Corporation of India.

Dr. M. M. Das: May I know whether cent. per cent. of the shares in these corporations are held by Government, or there are private shareholders also?

Shri M. C. Shah: The capital of the Indian Rare Earths, Limited, is Rs. 80 lakhs and the shares held by the Government of India are to the extent of Rs. 44 lakhs, that is 55 per cent. Forty-five per cent. of the shares are held by the Travancore-Cochin Government.

In the Industrial Finance Corporation the Government of India and the Reserve Bank together hold share capital amounting to Rs. 2,02,70,000.

Dr. M. M. Das: May I know whether these two Corporations have declared any dividends to their shareholders?

Shri M. C. Shah: I am afraid I have not got that information with me at the moment.

Shri Heda: How many Corporations are there for which assessment is going on and how many State Corporations are there which need not be assessed, because they have not earned anything?

Shri M. C. Shah: I have not got that information. Some may not be assessable; some may not have filed any returns and some may have filled in their returns, but their assessment is not yet over.

Shri T. S. A. Chettiar: Are the incomes of Corporations, the share moneys of which are wholly Government, subject to income-tax?

Shri M. C. Shah: Yes, Sir. The position is this. If the concern is run as a Department of Government, then they are not assessable, but when they are corporations of companies then they are assessable, even though Government hold cent per cent of the shares.

Kumari Annie Mascarene: May I know whether the titanium industries in Travancore-Cochin paid any income-tax and if so how much?

Shri M. C. Shah: I have not got the figures now.

Kumari Annie Mascarene: It is a semi-Government concern.

Shri Damodara Menon: Are corporations under different State Governments also assessed to income-tax?

Shri M. C. Shah: As I have already stated if it is run as a State department then they are not assessable; but if they are formed into corporations or companies, even though cent per cent shares are held by the States, they are assessed.

Shri T. S. A. Chettiar: Will he give us examples of such concerns which are run as departments and which are not assessable?

Shri M. C. Shah: I have not got that information at the moment. I have got figures which are assessable.

Shri T. S. A. Chettiar: For example, is the Hindustan Aircraft Factory assessed to income-tax?

Shri M. C. Shah: The Hindustan Aircraft Factory will be assessed.

Dr. M. M. Das: May I know the total number of State trading corporations?

Shri M. C. Shah: I have not got the total number; but they are not more than ten perhaps. I have got a list of some; shall I read them?

Mr. Deputy-Speaker: No.

COMMON CADRE OF SERVICES IN PART 'C' STATES

*826. **Shri M. L. Dwivedi:** Will the Minister of Home Affairs be pleased to state:

(a) whether there is any proposal for having a common cadre of services for all the Part 'C' States;

(b) whether it is a fact that the Chief Ministers of Part 'C' States who gathered at a conference at Ajmer discussed the issue and communicated the results of their deliberation in this connection to the Ministry of States;

(c) whether the Government of India have come to any decision on the subject;

(d) if so, whether any scheme has been prepared and by what time is it likely to come into operation; and

(e) what are the recommendations of the Chief Ministers of Part 'C' States on the subject?

The Deputy Minister of Home Affairs (Shri Datar): (a), (b) and (e). The Chief Ministers of some of Part 'C' States discussed matters of common interest including the question of recruitment to services in Part 'C' States, and the question of a common cadre of gazetted officers. They realised that from a practical point of view the question presented some administrative difficulties, and they recommended as a first step the constitution of a Public Service Commission for Himachal Pradesh, Delhi and Ajmer. They also recommended that the question of other Part 'C' States coming under a common Public Service Commission and a common cadre of officers might be considered at a later date.

(c) and (d). The matter is under active consideration in consultation with the Union Public Service Commission. A final decision is likely to be reached in the near future.

Shri M. L. Dwivedi: May I know in how many States the reorganisation of services has taken place, and in effecting such reorganisation has care been