

Advances by Nationalised Banks to Large Business Houses

3353. SHRI V. A. SEYID MUHAMMAD: Will the Minister of FINANCE be pleased to lay a statement showing:

(a) the total amount outstanding out of the amount advanced by the nationalised banks to the top five large business houses from April 1, 1977 to October 1, 1977; and

(b) what was the amount advanced by the nationalised banks to the small scale industries during the same period?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) and (b). Information is being collected and will be laid on the Table of the House to the extent available.

Steps to recover Loan from Pakistan

3354. DR. V. A. SEYID MUHAMMAD: Will the Minister of FINANCE be pleased to state:

(a) the total amount of loan Pakistan owes to India under financial agreements entered into with that country at the time of partition and the total interest which accrued to India in respect of this loan upto date; and

(b) what steps have been taken during the last six months to recover this loan?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) Pakistan's partition debt to India is of the order of Rs. 300 crores; the precise amount has not so far been agreed upon despite efforts made on various occasions. Under the partition arrangements concluded in December 1947, this debt was repayable by Pakistan in Indian rupees in 50 annual equated instalments of principal and interest at 2 7/8 per cent per annum) commencing from the 15th

August, 1952. In the absence of any payment by Pakistan towards repayment of principal or interest, the accumulated interest, even at the normal rate (2 7/8 per cent), now exceeds the amount of debt due from Pakistan.

(b) No fresh efforts have been made during the last six months towards settlement of this issue.

Arrears of Income Tax, Wealth-tax and Gift Tax against Companies Connected with 75 Monopoly Business Houses

3355. DR. V. A. SEYID MUHAMMAD: Will the Minister of FINANCE be pleased to state:

(a) the number of companies connected with the 75 monopoly business houses;

(b) the total arrears till date of income-tax, wealth-tax and gift tax against these companies; and

(c) what steps were taken during the last six months to recover these arrears?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) In the light of the revised industrial licensing policy announced by the Central Government in February 1973, the term "monopoly houses" mentioned in the question is taken to refer to those undertakings registered under section 26 of the Monopolies and Restrictive Trade Practices Act, 1969 which, by themselves or together with their inter-connected undertakings, have assets of not less than Rs. 20 crores thereby attracting the provisions of section 20(a)(i) or (ii) of the said Act. The number of companies registered under section 26 of the said Act up to 31st December, 1976, which were still on the register, was 1033 and of these, the number of companies which are governed by section 20(a) of the said Act was 980.

(b) The collection of requisite information in respect of all these companies from the concerned Income-tax officers located at different places will involve considerable time and labour which may not be commensurate with the results likely to be achieved.

Information is, however, readily available in respect of cases where the outstanding income-tax demand in each case exceeds Rs. 10 lakhs or the outstanding wealth-tax or gift-tax demand in each case exceeds Rs. 25,000. According to this information, out of the aforesaid 980 companies:—

(i) *income-tax* demands exceeding Rs. 10 lakhs in each case were outstanding against 47 companies as on 31st March 1977 and the aggregate amount of Income-tax arrears in the case of these 47 companies as on 31st March 1977 was Rs. 24.20 crores as gross arrears and Rs. 7.23 crores as net arrears;

(ii) *wealth-tax* demand exceeding Rs. 25,000 in each case was outstanding against one company as on 31st March 1977, involving an amount of Rs. 96,000; and

(iii) *gift-tax* demand exceeding Rs. 25,000 in each case was not outstanding against any company as on 31st March 1977.

(c) The phenomenon of tax arrears is a continuing one. Even though the tax outstanding at the beginning of a financial year is collected/reduced to a substantial extent by the year-end, the arrears again go up mainly because a part of the fresh tax demand raised during the course of the year cannot be fully collected on account of various reasons and becomes fresh arrears of tax at the end of the year.

Depending on the facts and circumstance of each case, suitable steps are taken from time to time by the Income-tax authorities concerned for recovery of tax arrears in accordance with the provisions of the Income-tax Act, 1961. These steps include:—

(a) levy of interest for delayed payment of tax;

(b) imposition of penalty for non-payment of tax;

(c) attachment of monies due to the defaulter; and

(d) attachment and sale of movable/immovable properties.

India's Exports to E.E.C.

3356. SHRI JYOTIRMOY BOSU: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether it is a fact that E.E.C. wants India to cut its exports; and

(b) whether the renewal of multi-fibre agreement with G.A.T.T. in Geneva is going to be concluded soon?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI ARIF BEG): (a) E.E.C. has not desired any cut of any general nature in our exports to the community. With regard to textiles, the E.E.C. is at present negotiating the renewal of their bilateral agreements with all supplying countries, including India, on the basis of the stabilisation of the import penetration by all suppliers at 1976 levels. The negotiations for renewing our textile agreement with the E.E.C. are in progress.

(b) Negotiations are in progress for the renewal of the Multi-fibre Agreement under the GATT which expires on 31st December, 1977.

Deposit of Money in Indian Banks by Indians living Abroad

3357. SHRI K. MALLANNA: Will the Minister of FINANCE be pleased to state:

(a) whether some members of the Indian Community residing abroad have expressed their unhappiness regarding the decision to reduce the rate of interest on the deposits in our banks when the flow of foreign exchange has increased; and