

case it was stated that there was a contractual liability and, therefore, it was settled. Then in two other cases the claims were paid to the parties *ad hoc* under advice given by the Ministry of Law. There was no discrimination.

**Sardar Hukam Singh:** Was it not a part of the agreement on partition that as this was a central responsibility, these claims would first be paid by the Central Government and then they would be adjusted with the Pakistan Government?

**Shri M. C. Shah:** No, Sir. That was not so. Under article 9 of the Indian Independence Rights of Property and Liabilities Order, 1947, it was the liability of the Pakistan Government.

#### INCOME-TAX

\*1327. **Sardar Hukam Singh:** Will the Minister of Finance be pleased to state:

(a) the number of cases referred to the Income Tax Investigation Commission in which Income Tax has been assessed on the basis of settlement under Section 7(2) of the Income Tax Investigation Act;

(b) the amount originally declared when they offered to make a declaration of their concealed incomes;

(c) the actual amount on which the Income Tax was finally assessed;

(d) whether any penalty was imposed in cases where there was substantial difference between the income declared and the income assessed; and

(e) whether it is a fact that in some cases as many as 20 instalments running over 10 or more years have been allowed for payment of Tax?

**The Deputy Minister of Finance (Shri M. C. Shah):** (a) Presumably the intended section is 8A(2) and not 7(2). The number of cases disposed of upto 31st August 1953 is 716.

(b) This information is not readily available and its collection will involve such time and labour as is not likely to be commensurate with the results aimed at.

(c) The amount is Rs. 36,42,64,504.

(d) Yes. Penalties were imposed.

(e) The reply is in the negative.

**Sardar Hukam Singh:** May I know whether the penalty imposed was in the form of financial burdens or whether any prosecutions were also launched?

**Shri M. C. Shah:** Financial penalties were imposed, such as fines and no prosecutions were launched.

**Sardar Hukam Singh:** Could I know the total amount of penalty recovered?

**Shri M. C. Shah:** It is a very difficult question to answer, Sir.

**Mr. Deputy-Speaker:** The hon. Minister has given the answer to sub-clause (d).

**Shri M. C. Shah:** Rs. 47 lakhs and odd, Sir. I have given the answer to (e) that the reply is in the negative. He wants to know the amount of the penalties. It is Rs. 47 lakhs and odd.

**Shri T. N. Singh:** The hon. Minister stated with reference to (b) that it is difficult to give the reply. May I know what was the difficulty in collecting this figure when the number of persons who have declared their incomes is known and there are only 716 cases about which information is asked?

**Shri M. C. Shah:** They can be collected; but as I said, the labour involved is not commensurate with the results aimed at. To give the reply about 716 cases would be a very big table. If the hon. Members want to have it, it will be laid on the Table.

**Shri T. N. Singh:** There is a certain amount of unnecessary secrecy being observed about the proceedings of the Investigation Commission. In the interests of the public as well as in the interests of everybody concerned, there should be a certain amount of openness in the matter and all such information should be laid on the Table of the House. I appeal to you, Sir.

**Shri M. C. Shah:** I am sorry, Sir, but there is no secrecy observed. Under the powers that are given under the Act, all the information can be given and there is no effort on the part of the Government to hold back this information. What I say is that the amount of labour involved will not be commensurate with the results. That is the only thing.

**Mr. Deputy-Speaker:** This is a special Investigation Commission with respect to persons of very large incomes who have evaded mostly. 1200 and odd cases have been referred to the Commission. In those cases there must be a register showing what amount was declared and what amount was collected. The Chair does not interfere in those cases in which the Ministers say that it is not in public interests proper to disclose and so on and so forth. But, with regard to other matters when an Investigation Commission was appointed, these figures must be given to the House. There is no good saying that it is not commensurate and so on.

**Shri M. C. Shah:** I have already stated that we are prepared to lay it on the Table of the House.

**Mr. Deputy-Speaker:** Why was it not done? It is not a short notice question. The Investigation Commission is only in Delhi. This matter could have been ascertained and the information given.

**Shri M. C. Shah:** There were 716 cases, Sir.

**The Minister of Finance (Shri C. D. Deshmukh):** There is no question of secrecy, Sir. The fact is that we receive the final report of the Investigation Commission. In that it is not always disclosed what the original declaration has been. What we are concerned with is their final advice. That we have got and we have tabled it and we proceed to collect the income-tax. Now, if we have to collect the original declarations which form part of the proceedings of the Investigation Commission, we shall have to collect it. But, taking into account the time... \

**Mr. Deputy-Speaker:** The hon. Minister will find the juxta-position of this clause. The hon. Member wants to know for how much the declaration was made, and what ultimately was settled and if there is any gulf of difference and what was the penalty imposed, whether it is commensurate with the amount of concealed income and so on and so forth. With a view to give them an idea as to whether there is any slackness on the part of the Investigation Commission or of the Government about this matter all this information should be given. The hon. Minister must anticipate all possible questions and even supplementaries and give a full answer as far as possible instead of saying that in ten days it is not possible and so on.

**Shri C. D. Deshmukh:** This can only be done in the aggregate.

**Mr. Deputy-Speaker:** That is all that is wanted.

**Shri C. D. Deshmukh:** Therefore it means the collection and compilation of all the data to be gathered from the original records of the Income-tax Investigation Commission. I do not think any section like section 54 comes in the way of our giving the total figures. If the hon. Members do want to draw an inference in regard to the competence with which the Income-tax Investigation Commission is doing its work, we can certainly give the total figures declared.....

**Mr. Deputy-Speaker:** The hon. Member wants to know the total figures assessed and the total penalties imposed.

**Shri C. D. Deshmukh:** The total penalty we have already given, Sir; it is Rs. 47 lakhs and odd.

**Mr. Deputy-Speaker:** If it is available with the hon. Minister he will pass it on to the hon. Member.

**Shri Sarangadhar Das:** Sir, there must be a similar register with the Investigation Commission, and the 700 and odd amounts may be added up in the course of a few minutes only.

**Sardar Hukam Singh:** One more supplementary question, Sir.

**Mr. Deputy-Speaker:** We have had sufficient questions.

#### CLAIMS AGAINST RAILWAYS

\*1328. **Sardar Hukam Singh:** Will the Minister of Home Affairs be pleased to refer to starred question Nos. 446 and 477 answered on the 13th August, 1953 and state:

(a) whether all or only a few consignees of 36 wagons admitted to have been unladen at Modinagar, laid their claims to the Railway Administration; and

(b) what was the value of the claims laid?

**The Deputy Minister of Home Affairs (Shri Datar):** (a) and (b). The information is being collected and will be laid on the Table of the House in due course.

**Sardar Hukam Singh:** Sir, the Home Ministry sought the advice of the Solicitor-General who advised that the case was not one which would prove fruitful in court. Therefore the prosecution was dropped. May I know whether the special police before recommending that there was a *prima facie* case obtained any legal opinion in support of their view?

**The Minister of Home Affairs and States (Dr. Katju):** I could not hear the question portion but I heard the argument.

**Mr. Deputy-Speaker:** Was any legal opinion taken?

**Sardar Hukam Singh:** Was any legal opinion taken by the special police establishment also when they recommended that there was a *prima facie* case?

**Dr. Katju:** The question that was put was that there were 36 wagons which had been diverted to Modinagar and which had been taken over by the Modinagar Factory or as to what were the contents of those wagons and what was the value of the contents. I think the question related

only to that specific item. And the answer was that we were enquiring as to what were exactly the contents of the wagons and what is the value. It is all a matter of record that will have to be collected from the railway authorities who will be in possession of it. We are discussing this matter about compensation between the railway and the Company.

**Sardar Hukam Singh:** I have given reference to the question, such and such a question dated August 1953 and the answer given....

**Mr. Deputy-Speaker:** It does not matter. I am able to follow what the hon. Minister said. With reference to that question a number of things could have been answered. The hon. Member wants only the answer with respect to the particular items that he has selected out of that answer. I think it does not refer to any legal opinion nor any suggestion that was given regarding the prosecution but only the nature and contents of the wagons etc. I think whatever might have been the answer then, this does not arise out of this question.

**Sardar Hukam Singh:** So far as I can recollect the original question as framed by me included this as part of it and it has been scored out.

**Mr. Deputy-Speaker:** I will look into it.

**Shri Vittal Rao:** Sir, while answering a supplementary question on this particular Modi industries, the hon. Minister said that he would consider the question of laying a copy of the advice of the Solicitor-General on the Table of the House.

**Mr. Deputy-Speaker:** It does not again arise out of this question.

**Shri Vittal Rao:** He has given an assurance a month ago. When is he going to lay it on the Table of the House? Have the Government arrived at a decision regarding this?

**Shri Punnoose:** This is the second time that this comes up before the House. May I know what is exactly