

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH):

(a) and (b). The Ministry of Defence have communicated that they have no objection to the extension of the runway at Cochin. On account of several major obstructions, however it would not be feasible to do so.

Loss in Tax Revenue due to Head Offices of Private Companies established in a State other than the Place of Business

4381. SHRI DEVENDRA SATPATHY : Will the Minister of COMPANY AFFAIRS be pleased to state :

(a) whether Government are aware that some States are deprived of revenue accruing on account of taxes, because some private companies have established their Head Office in a State other than the State which is their principal place of business ; and

(b) whether Government propose to direct them to shift the respective Head Offices to the States where they principally carry on their business ?

THE MINISTER OF COMPANY AFFAIRS (SHRI RAGHUNATHA REDDY) : (a) Of the Central taxes, only proceeds of taxes on income and of Union Excise Duties are shareable with States, and States' shares are determined in accordance with the recommendations made by the Finance Commission from time to time. In the case of Union Excise Duties, the distribution of States' share amongst them recommended by the Fifth Finance Commission is 80% on population basis and 20% on the basis of relative backwardness of the States and therefore the location of head office may not be relevant. In the case of Income-tax, however, 90% of the States' shares is distributed on the basis of population and 10% on the basis of figures of assessments. The collection of income-tax from companies at places of location of their head offices is based on Section 124 of the Income-Tax Act, 1961. No specific complaint has been received by

Central Government against this arrangement.

(b) Does not arise.

Casual Watchmen dismissed from Cochin Shipyards

4382. SHRI A. K. GOPALAN : Will the Minister of SHIPPING AND TRANSPORT be pleased to state :

(a) the number of casual watchmen dismissed from the Cochin Shipyards last month ;

(b) the reasons for the dismissal ; and

(c) whether Government propose to absorb them in alternative jobs ?

THE MINISTER OF PARLIAMENTARY AFFAIRS, AND SHIPPING AND TRANSPORT (SHRI RAJ BAHADUR) :

(a) to (c). The services of 8 temporary watchmen of the Cochin Shipyards Project were terminated with effect from the 13th May, 1971 consequent on the induction of the Central Industrial Security Force. In all there were 13 watchmen and they were given the option to join the Central Industrial Security Force in which the pay scale carried a higher maximum and they were also assured of protection of their present pay. In spite of this, all of them declined to avail of this offer. It was possible to absorb 5 of them in certain other posts for which they were found suitable and the remaining 8 were retrenched. They can now be considered along with others for other suitable vacancies if their names are sponsored by the employment exchange in response to future requisitions from the Project. In fact, one of them has since been appointed as a peon with effect from 1st July, 1971.

Test Audit of Cases of Income-Tax Assessment

4383. SHRI S. R. DAMANI : Will the Minister of FINANCE be pleased to state :

(a) the percentage of cases taken up for test audit to the total number of Income-tax assessments in the last three years ;