

- (2) A copy of the Food Corporation of India (Death-Cum-Retirement Gratuity) (10th Amendment) Regulations, 1988 (Hindi and English versions) published in Notification No. 46/F. No EP 39-3/83 in Gazette of India dated the 19th April, 1988, under sub-section (5) of section 45 of the Food Corporations Act, 1964. [Placed in Library. See No. LT-6326/88].
- (3) A copy of the Sugar Development Fund (Third Amendment) Rules, 1988 (Hindi and English versions) published in Notification No. G.S.R. 551 (E) in Gazette of India dated the 6th May, 1988 under sub-section (3) of Section 9 of the Sugar Development Fund Act, 1982. [Placed in Library. See No. LT. 6327/88]

12.04 hrs.

MESSAGE FROM RAJYA SABHA

[English]

SECRETARY-GENERAL : Sir, I have to report the following Message received from the Secretary-General of Rajya Sabha :

'In accordance with the provisions of rule 115 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to inform the Lok Sabha that the Rajya Sabha at its sitting held on the 28th July, 1988, agreed to the following amendments made by the Lok Sabha at its sitting held on the 12th May, 1988, in the Cine Workers and Cinema Theatre Workers (Regulation of Employment) Amendment Bill, 1987 :

ENACTING FORMULA

1. Page 1, line 1,—

For "Thirty-Eight" Substitute
"Thirty-ninth"

Clause-1

2. Page 1, line 1,—

For "1987" Substitute "1988"

(Interruptions)

12.05 hrs.,

STATEMENT RE. REPORTED
INCOME OF JYOTSNA HOLDING
PRIVATE LTD. FROM SUMI-
TOMO CORPORATION

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : Sir, Government's attention has been drawn to the news item in the Statesman, Delhi edition, Friday, July, 29, 1988, about the income-tax and some other matters of Jyotsna Holding Private Limited. The report contains a number of inaccurate statements.

The facts of the case are that Jyotsna Holding Private Ltd. filed its return of income for the assessment year 1987-88 on 31.7.1987 showing a total income of Rs. 5,89,12,251. In this return, it had included a sum of Rs. 6.35 crores being consultancy fees from Sumitomo Corporation. It paid a sum of Rs. 3,23,68,834 on 12.9.87 as self-assessment tax. As some portion of the income shown for the year 1987-88 also pertained to two earlier years, the Company, on its own, filed revised returns for two earlier years, 1985-86 and 1986-87 in terms of Section 139(5) of the I.T. Act.

The assessments were not completed in undue haste as alleged in the news item. The first hearing for the year 1985-86 commenced on 25.11.1987. There were a number of subsequent hearings before the conclusion of the assessment on 23.3.1988. As the relevant points had already been examined, the assessments for the subsequent two years were also completed on 28.3.1988.

The Company made petitions dated 18.3.1988, 21.3.1988 and 28.3.1988 before the Commissioner of Income Tax for waiver of penalty u/Sec. 273 and interests u/Secs. 139(8) and 217. There is nothing irregular or illegal in applying for a waiver of penalty before the assessments are completed. Under the provisions of Section 273A of Income-tax Act, an assessee is entitled to waiver of penalties and interest if prior to the issue of a notice to him under Section 139(2), he voluntarily and in good faith makes a full and true declaration of his income and pays tax thereon. Since

[Shri B.K. Gadhvi]

in the instant case, all these statutory conditions were fulfilled, the Commissioner of Income-tax on 24.6.1988 in exercise of his statutory powers waived penalty and interest after obtaining the prior approval from the Central Board of Direct Taxes, as prescribed. The allegation that there was any undue haste in passing an order under Section 273A is incorrect.

In March 1988, when the assessments of this Company were being finalised, the assessing authority found that the Company had made full declaration of its foreign income in its return as evidenced by two certificates issued by Sumitomo Corporation both dated August 25, 1987. Further, the Company had suo moto repatriated its foreign income through normal banking channels and has also paid its taxes. It may be pointed out that there is no FERA Cell in the Income-tax Department and the inferences in the said news item about such a Cell and its activities have no basis.

In response to the notice inviting tender by Oil and Natural Gas Commission to which a reference has been made in the news item, the Sumitomo Corporation did not indicate in the relevant column that they had an Indian agent in respect of these two tenders. Neither the Oil and Natural Gas Commission nor the Gas Authority of India dealt with an Indian agent at any point of time nor did they make any payment to any Indian agent of Sumitomo Corporation in respect of these two tenders. However, as mentioned earlier, Jyotsna Holding Private Ltd. declared in course of the Income-tax proceedings that they had two agreements with Sumitomo Corporation of acting as their consultant in respect of these two tenders. Each of these agreements provided that Jyotsna Holding Private Ltd. should not be taken as an agent of Sumitomo Corporation.

Necessary enquiries are being made from the Sumitomo Corporation. The Directorate of Enforcement is also investigating the matters from the FERA angle.

(Interruptions)

SHRI S. JAIPAL REDDY (Mahbubnagar): We want a discussion on this subject. (Interruptions)

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION AND BROADCASTING (SHRI H.K.L. BHAGAT): The hon. members are very keen for discussion. I propose that the discussion should start now. Let us begin with the discussion now, finish it and then we will take up discussion on Cholera. I accept the demand of the Opposition for discussion. Let us start it right now. (Interruptions)

PROF. MADHU DANDAVATE (Rajapur): The Minister has made a statement just now. FERA violations are there. It is a technical subject. We have to study it. How do you expect us to start the discussion right now? (Interruptions)

SHRI H.K.L. BHAGAT: Prof. Dandavate may begin the discussion.

PROF. MADHU DANDAVATE: Does it appeal to your reason?

SHRI H.K.L. BHAGAT: The other day, you were saying "right now", "right now". So, right now you can have a discussion. (Interruptions) You wanted a discussion and now you want to run away from it. (Interruptions)

PROF. MADHU DANDAVATE: Does it appeal to you? It is a technical subject. A statement is made; details are given and FERA violations are brushed aside. (Interruptions)

SHRI SOMNATH CHATTERJEE (Bolpur): We have not been given even a copy of the statement. (Interruptions)

SHRI S. JAIPAL REDDY: You can have the discussion tomorrow. (Interruptions).

SHRI H.K.L. BHAGAT: Any one of them can begin the discussion. (Interruptions)

SHRI S. JAIPAL REDDY: You are behaving like a guilty man. (Interruptions)

We have not been given copies of the statement. (Interruptions)

[Translation]

MR. SPEAKER: I fail to understand why you are interrupting. Why do not you listen to me?

(Interruptions)

[English]

MR. SPEAKER : I have to decide this matter. There are two ways. There are rules in this book, according to which a discussion takes place. The Minister makes a statement, and I also say, you give me a motion, and then you have to give. Sometimes what we have done here is, if the House agrees, then we take it immediately. So simple it is. There are only two ways. On my own, I will not do it.

(Interruptions)

MR. SPEAKER : On my own, I have to refer it to the Business Advisory Committee and they will then decide the date. Some times we have taken it up immediately on the recommendation of this House. Whatever you want me to do, I am in your hands. I am not going to do it on my own.

(Interruptions)

SHRI H.K.L. BHAGAT : I propose that the House take up the discussion right now. (Interruptions).

PROF. MADHU DANDAVATE : The Minister has made the statement just now. It is a technical subject. We have to check up so many things. We are prepared for a discussion tomorrow.

SHRI BASUDEB ACHARIA (Bankura) : Even copies of the Minister's statement are not made available. (Interruptions).

MR. SPEAKER : You appreciate my position, because I have only to refer it either to Business Advisory Committee as per practice,...

(Interruptions)

SHRI S. JAIPAL REDDY : Okay.

MR. SPEAKER : ...or I have to refer it to the House. I do not know which way you want.

SHRI C. MADHAV REDDI (Adilabad) : You refer it to the Business Advisory Committee (Interruptions).

SHRI H.K.L. BHAGAT : May I make a submission? On Friday, on the report of the newspaper, *The Statesman*, they wanted a statement immediately and they

did not want Government to get any time. They wanted a statement then and there without giving any time to the Government. Now, they have got the statement. Please take the sense of the House and if the House decides, please have a discussion rightaway. (Interruptions).

SHRI SOMNATH CHATTERJEE (Bolpur) : What do we discuss? We have not even got a copy of the statement. (Interruptions).

PROF. MADHU DANDAVATE : Please listen to us. They have made a specific reference in the statement, reference to FERA, reference to commission and reference to the statement made by the Corporation. We have to go through the statement. Please have it tomorrow. Even copies of the statement are not available.

SHRI S. JAIPAL REDDY : Copies of the Statement have not been made available. (Interruptions).

SHRI H.K.L. BHAGAT : Copies are there with you. He has read the statement. (Interruptions).

[Translation]

MR. SPEAKER : Look the thing is that (Interruptions).

Please listen to me. When I am speaking, why do you interrupt? I have to give the ruling. I had placed two things before you. I have also to tell you that your demand to have the statement then and there was quite unreasonable and today ..(Interruptions).

[English]

PROF. MADHU DANDAVATE : You can check the record. We only said that 'Today, he can make *suo motu* statement by the evening.' (Interruptions).

[Translation]

MR. SPEAKER : Look, please listen to me. I said that...(Interruptions)

Please listen to me. At that time, you had said it and later you said to get it done in the evening. I had two options before me and I had to choose one which would have satisfied both the parties.

(Interruptions)

MR. SPEAKER : Why do not you listen to me, why do you interrupt ?

(Interruptions)

MR. SPEAKER : I have heard you. Now we can do one thing. You may take some time and study it. We shall take it up at 3 O' clock.

(Interruptions)

[*English*]

PROF. MADHU DANDAVATE (Rajapur) : We have to refer to the Sections of law. We have to find out what are the FERA violations. It is a technical subject. Take it up tomorrow at 3 P.M. *(Interruptions)*.

SHRI S. JAIPAL REDDY : You can take it up even at 12 O' Clock tomorrow... *(Interruptions)*.

MR. SPEAKER : We can change it this way.

(Interruptions)

[*Translation*]

MR. SPEAKER : Please do not make noise, Mr. Charles.

(Interruptions)

MR. SPEAKER : The only question is.

[*English*]

Now, we can start Cholera discussion at 2 P.M., finish it by 5 P.M. and then take up this discussion at 5 P.M....

(Interruptions)

MR. SPEAKER : I have given you time till the evening. You prepare yourself. Instead at of 4 P.M., we can start the Cholera discussion at 2 P.M. and finish it by 5 P.M.

(Interruptions)

MR. SPEAKER : I make a compromise between the two view-points. Instead of 4 O' Clock, we start the Cholera discussion at 2 O' Clock and finish it by 5 P.M. At 5 P.M., we can take up this discussion and finish it today itself.

(Interruptions)

SHRI S. JAIPAL REDDY : No, we can take it up tomorrow. *(Interruptions)*.

SHRI H.K.L. BHAGAT : It should be finished before 5 P.M. because on the same subject, he has to make a statement at 5 P.M. in Rajya Sabha. *(Interruptions)*.

[*Translation*]

MR. SPEAKER : He may make a statement there and then come. We can take it up at 5.15 P.M.

[*English*]

Let him come at 5.15 P.M.,

(Interruptions)

PROF. MADHU DANDAVATE (Rajapur) : We would like to study the technical and legal aspects. *(Interruptions)*.

[*Translation*]

MR. SPEAKER : I have given you five hours.

[*English*]

You have got full five hours...

(Interruptions)

SHRI SOMNATH CHATTERJEE
Let us have the statement.

(Interruptions)

PROF. MADHU DANDAVATE : Do not browbeat the House like this... *(Interruptions)*.

MR. SPEAKER : If you do not agree to my compromise, then I will put it to the House.

(Interruptions)

SHRI BASUDEB ACHARIA : Copies of the statement should be made available. *(Interruptions)*.

MR. SPEAKER : We can take up this discussion at 5.15 P.M.

(Interruptions)

SHRI SOMNATH CHATTERJEE
Can we have copies of the statement ?

(Interruptions)

[Translation]

MR. SPEAKER : Give them the statement. Provide them a copy of the statement.

(Interruptions)

[English]

PROF. MADHU DANDAVATE : Does it appeal to your reason ?

(Interruptions)

[Translation]

MR. SPEAKER : I did whatever you wanted, You said that this issue should be taken up in the evening, I agreed. Now I will not say anything. You said that the matter should be taken up in the evening and I allowed that. I gave you five hours.

(Interruptions)

[English]

PROF. MADHU DANDAVATE : I have not said 'today' I said 'tomorrow'...
(Interruptions).

[Translation]

MR. SPEAKER : Yes, it has happened a number times.

(Interruptions)

[English]

PROF. MADHU DANDAVATE : This is not fair. Has it ever been done in this House ? (Interruptions).

MR. SPEAKER : We have done it so many times on the advice of the House.

(Interruptions)

PROF. MADHU DANDAVATE : It might have been done on political matters which have been continuing for a long time. This is a financial matter...
(Interruptions)

MR. SPEAKER : I have given you five hours.

(Interruptions)

MR. SPEAKER : Shri P. Chidambaram.

12.15 hrs.

ARMS (AMENDMENT) BILL*

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM) : I beg to move for leave to introduce a Bill further to amend the Arms Act, 1959.

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Arms Act, 1959."

The motion was adopted

SHRI P. CHIDAMBARAM : I introduce the Bill.

STATEMENT Re ARMS (AMENDMENT) ORDINANCE, 1988

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM) : I beg to lay on the Table an explanatory statement (Hindi and English versions) giving reasons for immediate legislation by the Arms (Amendment) Ordinance, 1988 [Placed in Library. See No. LT. 6328/88].

PROF. MADHU DANDAVATE (Rajapur) : This is a financial matter which has been dealt with in a cavalier manner...
(Interruption) You are setting a bad precedent.

(Interruptions)**

MR. SPEAKER : Not allowed.

(Interruptions)**

MR. SPEAKER : I have given you time and still you say like this.

(Interruptions)

*Published in Gazette of India Extraordinary Part II, Section 2, dated 1-8-88.

**Not recorded.