

courts in Goa, each taluka should be given one court. We have agreed to their proposal.

PROF. MADHU DANDAVATE : You have misunderstood him. He wants same scale of justice everywhere.

SHRI H. R. BHARDWAJ : Same scale of justice is there. There is no question of giving a different scale to any part of the country. He is concerned about the security aspect. I think the judges are very safe. When you could arrest Charles Sobhraj there, I think, the police network is very sound there.

SOME HON. MEMBERS : No. No. It was by Maharashtra police.

SHRI H. R. BHARDWAJ : So far as my part is concerned, it is the extension of the Maharashtra High Court to Goa. The judicial administration is the same. So far as the pay scales are concerned, I have yet to receive a proposal from Goa administration and we will certainly go into it because I feel that judiciary must be paid as adequately as far as possible by the States also.

SHRI EDUARDO FALEIRO : We are definitely not doing justice to our judges. The Minister has stated about the security for the judges. Is the Minister aware the Supreme Court judges who have got security at the moment have written to the Government to withdraw the security, because they have no money to pay for the electricity charges for the light in the compound throughout the night? I would like to know what has happened in reality to follow up action to his statement that he would bring in the course of this session a Bill to increase the salaries of the judges of the High Courts and the Supreme Court.

MR. DEPUTY-SPEAKER : How is it connected to the main question?

SHRI EDUARDO FALEIRO : He will reply; it is not cross-examination. It is Parliament of India.

SHRI H. R. BHARDWAJ : I am happy that he has put this question. So far as the electricity charges for the houses of the judges are concerned, now there is a decision of the Home Ministry that all the electricity charges which are there on account of the security will be borne by them and the Registry has been conveyed of this.

With regard to the expenses incurred by the judges for their own consumption, we have made a comprehensive arrangement in the forthcoming proposal that we have made and we are implementing that and the Cabinet has taken a decision in that direction also and the judges are more than satisfied. We have conveyed them the decision.

Increase in Assets of Large Sized Companies

*601. **DR. B. L. SHAILESH :** Will the Minister of INDUSTRY be pleased to state :

(a) whether it is a fact that many large-sized companies following within the 100 biggest group have been able to increase their asset-base by at least two to three times merely by introducing a new methodology of evaluation ;

(b) if, so, what is this new methodology and how it is considered an improvement in India against the conventional "Constant purchasing power (CPP)" approach ;

(c) the benefits derived by these companies by trebling assets through current cost-accounting ; and

(d) Government's reaction thereto ?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT (SHRI M. ARUNACHALAM) : (a) A few companies, belonging to large houses, have increased their asset-base by two to three times by revaluation of fixed assets during the last three-four years.

(b) and (c) Fixed assets are generally revalued on the basis of current market/replacement costs of these assets mainly to disclose the present value of these assets in the annual accounts.

(d) The companies Act, 1956, does not prohibit such revaluation of assets. However, the fact of revaluation is required to be disclosed in the Balance sheet.

[*Translation*]

DR. B. L. SHAIKESH : Mr. Deputy Speaker, Sir, earlier, M.R.T.P. Act was not applicable upto a capital of Rs. 20 crores. This limit has now been raised to Rs. 100 crores. I want to know whether assets of big industries have increased due to this increase and if so, whether Government would consider revising this limit again ?

THE MINISTER OF INDUSTRY (SHRI NARAYAN DATT TIWARI) : According to the facts which are before us, the re-evaluation has no special relation to its dates, the figures with us are upto 31.12.84 whereas the decision regarding M.R.T.P. limit had not been taken by then. I consider it may duty to make it clear for the information of the hon. Member that in re-evaluation, it is to be added in the M.R.T.P. denomination and there is no question of subtracting it, meaning thereby that the asset revalued for the purpose of registration for M.R.T.P. will also be considered. If they say that the assets have increased from 30 to 60, then 60 will be added. The intention of the hon. Member is inherent in this principle.

[*English*]

DR. DATTA SAMANT : As per our study and the Government figures given in Rajya Sabha, among the big houses, Birla is No. 1 with Rs. 3400 crores, Tata is No. 2 with Rs. 3300 crores of assets and the total assets of these hundred houses in December, 1984 were Rs. 30000 crores, that is more than 1986-87 development plan. In the last five years, their assets have doubled. Therefore, I want to ask a specific question.

Some of these big houses are making four to five industries sick or closed every year. Tatas have done that ; Mafatlals have closed 2-3 factories in Bombay ; J & K have closed 2-3 factories in Bombay. The assets of these houses are going up by leaps and bounds. They are making some

factories sick every. Four thousand crores or ten per cent of the bank capital is blocked by the big houses in these sick units. Is the Government seriously thinking of transferring some of the assets of these big houses to the sick units which they are making, if they find them responsible ? Because of all these things, there is black money to the extent of Rs. 40,000/-.

SHRI NARAYAN DUTT TIWARI : Well. The hon. member will agree that this question does not arise of this particular question. But I would still venture to answer. This is regarding the revaluation of assets. The hon. member would be aware that this House has already passed a legislation recently, a few weeks back for setting up a board for reconstruction. This board is going to be constituted within the next few weeks. This Board has been authorised to do exactly what the hon. member has in mind, i.e. whenever any company falls sick, this Board will have the power, after a proper hearing, to order promulgation of merger of sick units with healthier units, for any house.

SHRI K. S. RAO : Sir, while permitting these monopoly industries to increase their capital based on the market value, the Government is giving a facility to them to avoid paying tax for this increased capital, for which they could get the benefit of depreciation and all that, earlier. Will the Minister of Industry think in terms of asking such industries, where they have increased their capital, to start industries in no-industry-areas, without taking any assistance from the Government of India institutions ?

SHRI NARAYAN DATT TIWARI : Sir, this is a fallacy, which I want to clear. There is no question of any tax avoidance because of this revaluation. Revaluation is a standard practice everywhere. Revaluation of assets or reduction in the value of assets, is a standard practice, if necessary, under the Companies Act, Section 211, Schedule VI. As far as tax avoidance goes, it is very clear that for purpose of income tax, benefits will be depreciated only to the extent of original cost. Similarly, for raising public deposits, for issue of bonus shares or fresh

capital debentures from financial institutions, only the original cost will be kept in view. The only benefit that can be derived from this is, sometimes when the bank requires a second charge, perhaps then they can get some facilities for this second charge for the weak companies. As far as no-industry areas are concerned, we have already announced certain facilities and incentives, if the MRTP companies want to set up industries in no-industry districts.

SHRI S. JAIPAL REDDY : Earlier, the tendency among the larger houses was to play down their assets. Now the Minister admitted that during the last two or three years, they have been revaluing their assets upwards. Does it not show that our MRTP Act has become a deadletter ?

SHRI NARAYAN DATT TIWARI : I do not think that I can agree with the hon. member, because I have a list of all the MRTP and the bigger companies. Facts show that only 8 companies which are said to be big house companies, have revalued their assets. And others, who have also marginally increased their revaluation are only 37. I cannot say that by and large, a bigger number of MRTP companies are taking recourse to this.

[*Translation*]

SHRI BANWARI LAL PUROHIT : Hon. Deputy Speaker, Sir, with regard to the reply given by the hon. Minister just now, I want to know whether sick units could be merged with the profit earning units of the big houses such as Tatas—who own, suppose, 100 industries—under the M.R.T.P. Act ?

SHRI NARAYAN DATT TIWARI : Yes Sir. So far as my information goes, such provision is there in it.

[*English*]

**Memorandum of Understanding Signed
between India and France**

*602. **SHRIMATI USHA CHOUDHARI :** Will the Minister of COMMUNICATIONS be pleased to state :

(a) whether a memorandum of understanding had been signed between the postal authorities of India and France on 7 March, 1986 ; and

(b) if so, the details thereof ?

**THE MINISTER OF STATE OF THE
MINISTRY OF COMMUNICATIONS
AND MINISTER OF STATE IN THE
MINISTRY OF HOME AFFAIRS (SHRI
RAM NIWAS MIRDHA) :** (a) No, Sir.

(b) Details of a Memorandum of Understanding between the Postal Administrations of India and France are being worked out. The Memorandum will be signed after getting approval of the Ministries concerned.

[*Translation*]

SHRIMATI USHA CHOUDHARI : Mr. Deputy Speaker, Sir, I want to know from the hon. Minister whether as a result of this agreement between two countries, France would provide us technical and economic assistance and if so, what is the nature thereof ?

I do not want to say anything about the present day telephone system, but I must say that its financial condition is not good. Just now, the hon. Minister has himself admitted that there is acute shortage of financial resources and material. I want to know whether the question of bringing about improvements in the telephone system is under consideration ?

SHRI RAM NIWAS MIRDHA : Sir, we had signed an agreement with Finance in 1980 which was extended upto 1985. On the expiry of this period, when a delegation of the Postal Department of France visited India, they wanted this agreement to be extended further. Talks were held with them in this regard and we have arrived at some conclusions. The ambit of this agreement is very limited. We do not want to take any sort of financial or other assistance from them, we have made some provisions in it only to study and acquire information on new techniques which we propose introduce in our Postal Department