

Tax Arrears from Film Sector

*1114. DR. VASANT KUMAR PANDIT : Will the Minister of FINANCE be pleased to lay a statement showing :

(a) whether the tax (Income and Wealth taxes) arrears from the Cinema-film sector are mounting year by year;

(b) what are the tax collections by the film circle-film sector for the years 1979-80 and 1980-81; and

(c) the figures and names of 20 highest tax arrear cases from among the category of (i) film producers (ii) distributors (iii) film artists and (iv) film financiers as on 31st January, 1981?

THE MINISTER OF FINANCE (SHRI R. VENKÁTARAMAN): (a) to (c). A statement is laid on the Table of the House. [Placed in Library. See. No. LT-2567/81]

Statement

(a) and (b). No separate circles having exclusive jurisdiction over assesses belonging to film sectors have been constituted in respect of such cases all over the country. There is, however, a cinema circle in Calcutta and a film circle in Bombay having a concentration of cases connected with the film in-

dustry. The relevant figures in respect of these circles are given in Annexure I to this Statement. Since statistics are not separately maintained on an all-India basis about the tax collections or tax arrears from cinema-film sector, it is not possible to give tax collections in respect of all film cases, or to say whether arrears in respect of such cases are mounting year by year or not. However, from the statistics has furnished in the Annexure it will be seen that the arrears of tax in the two circles at Bombay and Calcutta have come down.

(c) Information is periodically received about arrears outstanding against film artists/film producers by the directorate of recovery. On the basis of the presently available data a statement giving the requisite information in respect of top 20 film artists/film producers on the basis of arrears outstanding as on 31st December, 1980 is given in Annexure II. Such data is not collected separately in respect of film distributors and film financiers and its collection from the field officers all over the country will involve considerable time and labour. However, if any information is required about any specific case or cases the same would be collected and laid on the Table of the House.

(a) Arrears of Income and Wealth Taxes for the last 5 years in respect of film circle in Bombay and Cinema Circle Calcutta.

(Amounts in crores of Rs.)

Gross outstanding tax demands in

As on	Film Circle, Bombay		Cinema Circle, Calcutta		Total of Film Circle, Bombay and Cinema Circle, Calcutta	
	Income tax	Wealth tax	Income tax	Wealth tax	Income tax	Wealth tax
31-3-77	7.56	0.28	6.17	0.09	13.73	0.37
31-3-78	5.37	0.09	5.47	0.11	10.84	0.20
31-3-79	4.68	1.27	4.28	0.19	8.96	1.46
31-3-80	5.90	0.90	3.50	1.17	9.40	2.07
31-3-81	5.39	1.16	2.60	0.49	7.99	1.65

(b) Collection made during the financial years 1979-80 and 1980-81.

(Amounts in crores of Rs.)

Financial year	Film Income- tax	Circle, Bombay Wealth- tax	Collections made in		Circle, Calcutta Wealth tax
			Cinema	Income- tax	
1979-80	4.40		0.21	0.51	0.05
1980-81	4.70		0.26	0.28*	0.03*

*Excludes collection made in March 1981 in respect of which challans have not been received.

Note : This statement does not include data relating to cases belonging to film industry assessed in other circles.

ANNEXURE II

LIST OF TOP 20 FILM ARTISTS/PRODUCERS BASED ON REPORTS FOR THE QUARTER ENDING 31-12-80 RECEIVED BY THE DIRECTORATE OF RECOVERY

(Rs in lakhs)

Sl. No.	Name of the assessee	Income-tax		Wealth-tax	
		In arrear	Not fallen due for collection	Gross demand outstanding	Gross demand outstanding
1	2	3	4	5	6
1.	Kumari Hema Malini	26.58	..	26.58	5.2
2.	Akkineni Nageswara Rao	..	10.42	10.42	..
3.	Smt. Vijayanthimala	10.02	..	10.02	..
4.	Miss Rekha Ganesan	9.89	..	9.89	..
5.	Miss Lata Mangeshkar	3.81	5.41	9.22	0.11
6.	Shri M.R. Radha	8.58	..	8.58	..
7.	Shri Vijay G. Sippy	8.19	..	8.19	..
8.	Shri Randhir Raj Kapoor	6.69	1.32	8.01	..
9.	Shri M.G. Ramachandran	3.22	4.59	7.81	..
10.	Shri Rajesh Khanna	7.00	..	7.00	2.93
11.	Smt. G. Savithri	6.94	..	6.94	..
12.	Shri Prem Nazir	5.90	..	5.90	..
13.	Smt. J. Jamuna	5.42	..	5.42	..
14.	Shri Kamaluddin J. Kazi Alias Tony Walkar	5.32	..	5.32	..
15.	Smt. Padma K. Patel	4.32	..	4.32	..
16.	Shri Dev Anand	4.24	..	4.24	4.16
17.	Shri Joginder Singh Arora	3.40	..	3.40	..
18.	Shri P. Amrithan	..	2.93	2.93	..
19.	Miss Yogita Bali	2.84	..	2.84	..
20.	Smt. N. Sheela Devi	2.78	..	2.78	..

DR. VASANT KUMAR PANDIT: Unless the Finance Ministry or the Income Tax Department have full statistics of all the parameters concerning the film sector, it is not possible for us to come to a judgement whether cross entries and benami transactions which are very very common in the film industry are co-related or not. Say, for example, a film artiste staying in Bombay, he or she, has got two theatres, one in Ahmedabad and one in Bhopal, and has also got a distributing centre in Amravati in CPCI cricle. I want to know whether all these factors are taken together while making assessment of the film artistes and, secondly, whether the hon. Finance Minister will consider the feasibility of starting a film circle in Madras or Bangalore which has now turned out to be a major centre of film industry in the film sector.

SHRI R. VENKATARAMAN: Every effort is being made to coordinate the activities of the film producer, the film artiste, the film distributor, etc. in order to arrive at the correct assessable income of each one of these persons. The Department cross-checks in respect of the income of film artistes with the film producer as well as the film distributor and in each one of these cases the reverse process is also being done.

As far as the human ingenuity of the Department goes, every effort has been made and we feel that, to a large extent, the Department has been successful in unearthing the kind of money which these people get.

The other suggestion that a film circle may be opened in Madras or Bangalore, is a good suggestion. I will have it examined.

DR. VASANT KUMAR PANDIT: Since the ITO and the WTO is the same person and since we see them quite often at the time of Muhurat of films or gala opening of the film—they are more in presence at such occasions and at parties of the film artistes may I know from the hon. Minister whether the figures given are exclusive of advance tax payments or they are only gross recoveries to be made and why

is it that the recovery is hardly 50 per cent for the years 1979-80 and 1980-81?

SHRI R. VENKATARAMAN: So far as the presence of Income-tax Department officers in the various gala openings of films is concerned, I suppose, they are also human and they want to see the premiere show. But if the House has any objection, I will ask them not to go to these films. . . .

DR. SUBRAMANIAM SWAMY: You take the House also there.

DR. VASANT KUMAR PANDIT: You take the House into confidence.

DR. SUBRAMANIAM SWAMY: You keep the House in visual confidence.

SHRI R. VENKATARAMAN: I do not want to corrupt the House.

SHRI RAVINDRA VARMA: You want to corrupt your officers;

SHRI R. VENKATARAMAN: The next point which the hon. Member has asked is, whether advance tax payments are taken. These are all arrears. This has nothing to do with advance payment. After a certain assessment has been made, the amounts which I have shown in Annexure I are outstanding. Some of them have fallen due and some of them have not fallen due. This is the position.

DR. VASANT KUMAR PANDIT: Why is it slow as in the case of Hema Malini. . .

MR. SPEAKER: No more question.

DR. VASANT KUMAR PANDIT: Only a clarification.

SHRI R. VENKATARAMAN: The hon. member seems to be interested in Hema Malini.

DR. SUBRAMANIAM SWAMY: She can marry twice as her husband has married twice.

DR. VASANT KUMAR PANDIT: I also interested in Vaijanthimala and

Rekha. Why recovery is so slow when their assets are very well known to the assessing authorities in the film sector?

SHRI R. VENKATARAMAN: This particular artiste had first filed an appeal before the Income-tax Commissioner and the appeal has been dismissed. The recovery proceedings are now being pursued.

SHRI KRISHNA CHANDRA HALDER: First of all, I would like to ask the Minister to correct the answer in Annexure-II No. 1 wherein the name is written as 'Kumari Hema Malini'. I do not think Hema Malini is a Miss. It appeared in the newspapers that she is married. So it should be corrected first.

AN HON. MEMBER: It should be Shrimati?

SHRI KRISHNA CHANDRA HALDER: In Annexure-I, arrears of income and wealth taxes for the last five years in respect of film circle of Bombay and cinema circle, Calcutta, are given but there is no mention of Madras. Madras is one of the main film and cinema centres of our country. I would like to know why there is no mention of Madras among the film and cinema centres. What is the latest position?

MR. SPEAKER: Too long an entry.

SHRI KRISHNA CHANDRA HALDER: I would like to know whether in Annexure-II, the List has been prepared in a politically motivated way because the names of some of the film stars who owe allegiance to the ruling party, that is, Congress-I and also the names of some of the later political personalities have been omitted. I am afraid this has been done with a political motive. Shri Amitabh Bachchan and others have earned crores of rupees.

(Interruptions)

I would like to have answers from the Minister.

SHRI R. VENKATARAMAN: So far as the name, Kumari Hema Malini is concerned, the Schedule-II gives the name as it stands in the List of Assesseees.

MR. SPEAKER: Mr. Finance Minister, I had been to the Lussaka Conference and there I happened to meet certain ladies and I was introduced to them. They began to call themselves as Miss, Miss and Miss. Later I came to know that they had 5 or 6 children!

SHRI R. VENKATARAMAN: Sir, I must give the correct explanation. These names are given as they appear in the assesseees' list. As income-tax assesseees, they had declared themselves. Kumari Hema Malini is the declared name in the assesseees' list. We will declare it as it appears in the list. Whatever their marital status may be, we do not care. It is the name as declared in the assesseees' list.

So far as the second question is concerned why Madras is not mentioned as a cinema circle, I have already told Mr. Pandit that it is a good suggestion and I will examine it.

So far as the third question whether it is politically motivated, is concerned, I think the Hon. Member has not understood the question and the answer. The question is what is the number of persons in order of the arrears. In the first 20, it appears, if his surmise is correct, that no person connected with this Party is there. The first 20 in the serial order of persons in arrears, are the 20 persons in Schedule-II. If the names are not disclosed, it only shows that they are not within the first 20 and it must go to the credit of the Party.

MR. SPEAKER: Mr. Lakkappa, you seem to be very indifferent to this subject and I cannot help if you get stuck up. (Interruptions).

SHRI K. LAKKAPPA: Mr. Speaker, sir, 1978-79 can be regarded as a heyday for certain film actors, actresses, producers and directors. Not only that. They actually lent all their support to the then Government and openly. All those people who have concealed a lot of black money and all those top actors who supported the then Government were completely shielded by the previous Government.

I would like to know from the Hon. Finance Minister whether such persons who have not paid arrears so long and who have their arrears pending to the Government, are also included in the list and, if so, the names, if possible. Otherwise, will the Hon. Minister assure us that immediate action would be taken to see that the arrears as far as possible would be recovered?

SHRI R. VENKATARAMAN: Unfortunately, the income-tax assesseees do not declare their political affiliation along with their returns. So, we do not know that. We only know those people are in arrears. I cannot answer the other question.

अध्यक्ष महोदय : श्री स्वामी—स्वामी का इसमें क्या काम है ?

What has Swamy to do with this?

DR. SUBRAMANIAM SWAMY: Dhirendra Bramachary is doing very well.

MR. SPEAKER: Mr. Acharya is rather impatient to ask a question.

आचार्य भगवान देव : "स्वामी" पिक्चर में हेमा मालिनी भी है, जिसके बारे में श्री स्वामी इतनी रुचि ले रहे हैं ।

डा. सुब्रह्मण्यम स्वामी : जितना छोटा स्वामी मैं हूँ, उतने ही छोटे आचार्य वह हैं ।

अध्यक्ष महोदय : स्वामी का असली रूप बता रहे हैं ।

DR. SUBRAMANIAM SWAMY: Unlike Mr. Lakkappa, I am not interested in the physical assets of the actresses; I am interested in the financial assets.

SHRI K. LAKKAPPA: Under the garb of saffron robes, they are also interested.

अध्यक्ष महोदय : स्वामी के मन की बात हम नहीं जान सकते हैं ।

DR. SUBRAMANIAM SWAMY: In view of the fact that I represent the city of Bombay and most of these actresses—a good part of them—live not only in Bombay but in my constituency I would like to ask this. Unlike Mr. Jethmalani, I do not use them in my campaign; I do not need them. Not that Mr. Jethmalani needs them either; anyway, he gets moral support..

MR. SPEAKER: If you had not withdrawn that, I would have expunged it.

(Interruptions)

DR. SUBRAMANIAM SWAMY: I would like to know from the Minister whether he recognises this fact that the film actresses, after all, are providing service to society..

AN HON. MEMBER: Actors also.

DR. SUBRAMANIAM SWAMY: Actors also. He knows better what actors are than I do.

MR. SPEAKER: You are trying to divulge certain facts!

DR. SUBRAMANIAM SWAMY: If he writes a book, it will be the best seller; and can make the best movie; it will get the 'A' rating immediately.

I would like to know whether the Minister will consider this. Machinery are given depreciation allowance. In the same way, film actresses depreciate very fast, and it is unfair to put such high rates of taxation on

them. I would like to know whether he would consider allowing depreciation allowance for their, not physical assets but acting ability, and allow generous tax exemptions so that you do not have this kind of ridiculous situation.

अध्यक्ष महोदय : इतनी सिफारिश तो मान ही ले ।

SHRI R. VENKATARAMAN: I should not exhaust every good thing in the world. I must also leave something for my successor. If my hon. friend ever becomes a Finance Minister, he will certainly enforce what he is now advocating.

आचार्य भगवान दत्त : मैं मंत्री महोदय से जानना चाहता हूँ कि तामिलनाडू के मुख्य मंत्री, श्री रामाचन्द्रन, एक फिल्म कलाकार हैं, क्या उनकी तरफ भी आयकर की कोई राशि बकाया है; यदि हाँ, तो कितनी है ।

अध्यक्ष महोदय : उसमें लिखा हुआ है ।

आचार्य भगवान दत्त : उसको वसूल करने के लिए क्या कार्यवाही की जा रही है ?

SHRI R. VENKATARAMAN: I can give the information. The tax arrears which have fallen due are Rs. 3.22 lakhs and the tax arrears which have not yet fallen due, not collectable, are Rs. 4.59 lakhs; the total is Rs. 7.81 lakhs.

SHRIMATI GEETA MUKHERJEE
Rose—

MR. SPEAKER: I cannot refuse you. मैं आपको इन्कार नहीं कर सकता हूँ ।

SHRIMATI GEETA MUKHERJEE: In the list, I find, ten are women and ten are men. But in the House everybody—those who are questioning and the Minister who was replying—were referring only to actresses. May I know the reason for this special stress on actresses leaving aside the actors?

MR. SPEAKER: The simple question is attraction.... (Interruptions)

SHRI R. VENKATARAMAN: I wish to place on record my complete endorsement of the Speaker's answer.

SHRI K. MAYATHEVAR: The then hon Finance Minister was pleased to state before this hon House that the total arrears due from the Chief Minister of Tamil Nadu was Rs. 15 to 18 lakhs one or two years back. This is a fact known to the hon Finance Minister also....

MR. SPEAKER: You are trying to answer on behalf of the Finance Minister?

SHRI K. MAYATHEVAR: I want to elicit certain facts and figures which are known to the public at least in Tamil Nadu. Rs. 15 to 18 lakhs were due from 1978 onwards. He was able to discharge Rs. 8 lakhs within 2 to 3 years. How was it possible to pay Rs. 8 lakhs in two years when he was not acting in the films? That is No.1.

No. 2—according to the hon Minister's facts and figures given to the House, even now the amount due and the arrear payable to the Government towards income tax is Rs. 7.8 lakhs. The hon. Minister was telling the House and we are shocked to hear from the lips of the hon Minister who is wielding power, enormous power given by the people of India to take legal action against any defaulter, that he is unable to collect the dues to the tune of Rs. 7.8 lakhs. Why is it not possible to collect when so many crores are available? I know personally. (Interruptions) Why is it not possible to collect it?

MR. SPEAKER: No aspersion.... I cannot allow.

SHRI R. VENKATARAMAN: I did not say that it is not possible for me

to collect from the actor, Shri M. G. Ramacharadran. The reason given here is that the assessee promised to come up with a concrete scheme of payment of tax arrears which is awaited. I understand that he wants to sell a property and clear off the arrears.

Losses in Kudremukh Iron ore Company Limited

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*1115. SHRI R.L.P. VERMA:

SHRI K. LAKKAPPA:

Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that Kudremukh Iron Ore Company Limited has suffered huge losses and whether Government have so far been able to ascertain exact amount of loss so suffered and causes thereof;

(b) if so, full facts thereof and reasons therefor; and

(c) composition of Board of Directors of the Company who were functioning in the relevant period of losses and also the present composition of the Board of Directors?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) to (c). The Kudremukh Iron Ore Company has not yet gone into commercial production and as such the question of any losses suffered by it does not arise. The present composition of the Board of Directors of the Company is as follows:—

(1) Shri K. C. Khanna, Chairman-cum-Managing Director.

(2) Shri H. V. Mirchandani, Director (Technical Services).

(3) Shri K. P. Sen Gupta, Director (Finance).

(4) Shri N. Narasimha Rau, Chief Secretary, Government of Karnataka.

(5) Shri S. D. Prasad, Special Secretary, Deptt. of Steel.

(6) Shri R. Ganapati, Addl. Secretary, Deptt. of Mines.

(7) Shri Ramaswamy R. Iyer, Joint Secretary & Financial Adviser, Ministry of Steel and Mines.

(8) Shri P. Johri, Joint Secretary, Ministry of External Affairs.

(9) Shri A. K. Mukherjee, Joint Secretary, Ministry of Commerce.

(10) Shri D. K. Joint Secretary, Ministry of Shipping and Transport.

श्री रीत लाल प्रसाद वर्मा : अध्यक्ष महोदय, कुद्रमुख आयरन ओर कम्पनी लिमिटेड इंडो इरान एग्रीमेंट के अनुसार प्रारम्भ हुई थी। इरान में 78 सें आन्तरिक स्थिति गड़बड़ा रही है। जो एग्रीमेंट की शर्तों थीं उन शर्तों के अनुसार उस कम्पनी को फंक्शन करना चाहिए था मगर जो कुद्रमुख आयरन ओर कम्पनी के चयरमैन हैं वही सेल के भी चयरमैन हैं, एक ही चयरमैन 3 हजार करोड़ रुपये का जो प्रोजेक्ट है उसको भी देख रहे हैं और पूरे सेल को भी देखते हैं जब कि एग्रीमेंट के अनुसार और उसकी शर्तों के अनुसार अभी जो कंट्रैक्टर्स और सप्लायर्स बहाल किए हैं वे उस रूल के विरोध में हैं, इसके साथ साथ चयरमैन खुद कुछ स तरह के कार्य कर रहे हैं जिस से इस भूँ करोड़ों रुपये की बहुत भारी गड़बड़ी हो रही है। आप कहते हैं कि इस तरह का प्रश्न ही जहाँ उठता लेकिन यह प्रश्न इतना विकराल और इतना गंभीर है कि इस देश के लिए बहुत चिन्ता का विषय है क्योंकि आम जनता के पैसे का एक चयरमैन दोनों के अंदर हिटलर की तरह काम कर के... (व्यवधान)...

अध्यक्ष महोदय : आप सवाल करें।

श्री रीतलाल प्रसाद वर्मा : मैं सवाल ही कर रहा हूँ। मैं सवाल ही करने जा रहा हूँ। मैं यह कह रहा था कि इसमें प्रबल बड़ी गड़बड़ी है। मंत्री जी बता रहे हैं कि लासेज का सवाल ही नहीं है इसलिए मैं लासेज बता देना चाहता था। यह बहुत