

"The assessee claims to have paid the entire amount by deduction at source. The claim has since been verified and the arrears have been reduced to nil."

The same party which was deducting at source the tax was also responsible for assessing the tax. May I know who was responsible for this ignorance?

SHRI K. R. GANESH: This is one of the matters which require looking into to find out how it has happened. We have given the facts. Now we will find out how it has happened.

Take-over of Sick Tea Estates in West Bengal

*570. **SHRI INDRAJIT GUPTA:** Will the Minister of FOREIGN TRADE be pleased to state:

(a) whether the attention of Government has been drawn to the news-item published in *Patriot* on 12th November, 1972 under the caption "Centre gives clearance. West Bengal to take over 'sick' tea estates";

(b) if so, the salient features of the decision taken in the matter; and

(c) when the decision is likely to be implemented?

THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA): (a) Yes, Sir.

(b) and (c). Some proposals have been made by the West Bengal Government for taking over certain tea plantations. The matter is being looked into.

SHRI INDRAJIT GUPTA: I would like to know whether the Labour Minister of West Bengal has met the hon. Minister some weeks ago and specifically drawn his attention to the fact that five such tea estates in

North Bengal have already closed down and another 30 are on the verge of closure and whether he has sought the assistance of the Centre in the establishment of a Tea Estate Reconstruction Corporation, which would be able to take over these sick estates and run them? If so may I know what is the reaction of the Central Government to this proposal?

SHRI L. N. MISHRA: It is a fact that the Labour Minister of West Bengal saw me and proposed that a corporation should be set up with 51 per cent participation by the State Government and 49 per cent by the Central Government. He also referred to the cases of six closed tea-estates, 5 in Darjeeling and one in Jalpaiguri. My suggestion was that the State Government should set up its own corporation and we shall give them financial assistance from the tea development fund. He came a second time and we have discussed it. I hope the State Government will set up its own corporation. So far as the financial part is concerned, we would be able to help them from the tea development fund.

SHRI INDRAJIT GUPTA: Has Government's attention been drawn to the fact that particularly in the Darjeeling area which produces the best quality of tea which is a big foreign exchange earner for this country, the planters of the old companies are not at all interested in investing money for the replantation of the shrubs which have practically exhausted their lives and are dying out? Since this involves not only the question of employment but also loss of production and foreign exchange, I would like to know what steps Government propose to take to see that if these companies are not willing themselves to go in for replantation of the shrubs in the Darjeeling area, Government will step in and take some action to see that the industry is not ruined there?

SHRI L. N. MISHRA: The objective of the West Bengal Government is exactly the same. They want to set up a corporation. Earlier they wanted the Government of India also to be a participant. But I said it will be better that the State Government sets up its own corporation and financial assistance will be given. The hon. member is right when he says that the planters are not very much interested in replantation. Although we have increased the quantum of loan from Rs. 7,400 to 1100 per hectare and the subsidy from Rs. 4,000 to 5,000, still they are not coming forward. The solution lies in having a State corporation there and taking over these tea gardens. So far as the financial and other assistance is concerned, we would not be lacking in helping them in this.

SHRI K. D. MALAVIYA: In view of the situation of non-cooperation and disinterestedness on the part of foreign industrialists in the tea estates of our country and this question is hanging fire for such a long time, may I know why is the Government of India not formulating any specific policy with regard to administration and take-over of substantial control in order to save this industry? Why has no decision been taken so far?

SHRI L. N. MISHRA: The tea gardens in West Bengal are not owned by foreigners. They are owned by the Indians. To the best of my knowledge, in West Bengal there is no tea garden owned by foreigners. All these gardens are owned by the Indians. Therefore, the question does not arise. I will refer hon. Member, Mr. K. D. Malaviya, to the fact that such a situation is there in Kerala.

SHRI BISWANARAYAN SHASTRI: In view of the fact that there are a large number of sick tea gardens in various parts of the country, may I know from the hon. Minister what is the policy of the Government towards those sick tea gardens and whether the Government of India

propose to enlarge the scope of the activities of Tea Trading Corporation so that that Corporation can come to the assistance of those sick tea gardens and finance the State Tea Corporation also.

SHRI L. N. MISHRA: The hon. Member himself is a member of the Tea Board, elected from this House. He knows this. So far as helping them is concerned, we are there to help them. We have got the funds. There is no want of funds. Capital is no problem; funds are no problem. The question is one of willingness on the part of the people who own the gardens. The Tea Trading Corporation is a different one; that has nothing to do with tea-growing; it is for export purposes that that Corporation has been set up.

SHRI TRIDIB CHAUDHURI: About the sickness of these particular estates, may I know whether the Government of West Bengal forwarded any report regarding the viability of these estates. It seems that some of the estates have exhausted all their possibilities and have been completely ruined so far as the farming part is concerned. Are the Government satisfied from their own reports and on the basis of such reports as the West Bengal Government may have submitted to them that some, at least, of these tea estates would be viable estates if they are properly financed?

SHRI L. N. MISHRA: Yes: I was saying that they should be properly financed and managed. We have suggested to the State Government to set up a Corporation. It is for them to set up a Corporation and we will be there to help them.

SHRI DINEN BHATTACHARYYA: May I know whether, considering the views of the West Bengal Government, the Ministry has come to any conclusion why there was such a situation in these sick tea estates, why these tea estates have now been

declared sick, what is the actual reason, whether it was on account of corruption on the part of management and frittering away of the assets, and are they now declared sick so that Government may inject some money for the benefit of the tea estate owners?

SHRI L. N. MISHRA: It is correct that the tea gardens were exploited without making any investment there; as Mr. Indrajit Gupta said, about replantation and fertiliser, no proper care was taken. The tea gardens have been exploited by the owners and that is why this situation has arisen.

Loss of Foreign Exchange due to transfer of shares by Indian Companies

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*571. **SHRI BIRENDER SINGH RAO:**

SHRI MUKHTIAR SINGH MALIK:

Will the Minister of FINANCE be pleased to state:

(a) whether it has come to the notice of Government that many Indian Companies have given their shares to the foreign companies in order to utilise the latter's trade marks;

(b) the amount of foreign exchange sent out by such companies during the last three years; and

(c) the names of such companies?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):

(a) to (c). It is not the current policy of Government to allow issue of shares by Indian companies to the foreign collaborators exclusively for the use of foreign brand names and trade marks; however, the possibility of issuing such shares by some companies in the remote past cannot be ruled out. If the Hon'ble Members have any specific cases in view, the matter can be looked into and the required information furnished.

SHRI BIRENDER SINGH RAO: May I know what steps, if any, Government are taking to prevent loss of foreign exchange by the manner that has been stated in the Question? Secondly, what is the maximum percentage of earning by foreign companies that is allowed by Government to be remitted outside the country?

SHRI YESHWANTRAO CHAVAN: It is a long information. I will give you for one year. These remittances go in the form of profits dividends, royalties and technical knowhow. These are the different forms in which the remittances go. The figures for 1970-71 are with me. In the case of profits, in 1970-71, it was about Rs. 13,12,00,000; in the case of dividends it was Rs. 43,48,00,000; in the case of royalties, it was Rs. 5,23,00,000; in the case of technical knowhow it was Rs. 20,63,00,000.

SHRI BIRENDER SINGH RAO: I wanted to know if there was any maximum limit, percentage, fixed by Government for remittances outside.

SHRI YESHWANTRAO CHAVAN: I do not think I can answer that question because it depends upon each individual case.

SHRI MUKHTIAR SINGH MALIK: In view of the reply of the hon. Minister that this is not the current policy of the Government to allow issues of shares to foreign companies, may I know from the hon. Minister whether any directions or instructions have been issued by the Companies Department to the various companies to supply information if and when they desire to transfer shares to foreign companies.

SHRI YESHWANTRAO CHAVAN: Let me make my point clear, I have said that such shares will not be allowed to be transferred exclusively for the purpose of using their trade marks or brands. If one of the benefits is that, certainly it can be allowed. Naturally when the Government has