

(b) Various suggestions are under consideration. These will be discussed shortly with the concerned States.

Small Private Trading Companies

*1736. Shri S. S. Kothari:
Shri Brijraj Singh Kotah:
Shri P. N. Solanki:
Shri Bharat Singh Chauhan:
Shri S. K. Tapuriah:
Shri K. K. Nayyar:

Will the Minister of Finance be pleased to refer to the reply given to Starred Question No. 391 on the 9th June, 1967 and state:

(a) whether it is a fact that taxation of small private trading companies under section 104 is considerably in excess of public companies, and that they have also to make compulsory distribution of profits in accordance with section 104 of the Income-tax Act and subsequently they have to rely to a very great extent (as revealed by the Reserve Bank Study) on external sources for finances; and

(b) if so, the steps Government proposes to take so that such companies can build up and place greater reliance on internal sources for funds?

The Minister of State in the Ministry of Finance (Shri K. C. Pant):

(a) It is a fact that the rate of tax on private trading companies is higher than that on companies in which the public are substantially interested. It is also a fact that under section 104 of the Income-tax Act, such companies are required to distribute dividends up to a specified percentage of their "distributable income".

The Reserve Bank study covered 999 small private companies accounting for 14 per cent. of the paid-up capital of all such private companies at work during the financial year 1964-65. This study revealed that these companies relied on external finance to the extent of 76.5 per cent.

(b) A study made by the Government has shown that there is no good ground for inferring that higher rate

of tax on closely-held companies had adversely affected the rate of their formation or growth. As such, no steps are considered necessary in this regard.

Chinese restaurants and shoe shops in the country

8369. Shri Baburao Patel: Will the Minister of Home Affairs be pleased to state:

(a) the number of new Chinese restaurants and shoe shops in Delhi, Uttar Pradesh, Bihar, Orissa, Maharashtra, Kerala, West Bengal and Assam;

(b) the number of such new shops opened since January, 1963 and the names of towns in which they have been opened;

(c) whether it is a fact that the Chinese employed in these establishments are engaged in espionage work;

(d) the steps taken by Government to stop or prevent their subversive activities; and

(e) if not, the reasons therefor?

The Minister of State in the Ministry of Home Affairs (Shri Vidya Charan Shukla): (a) and (b) A statement is laid on the Table of the House. [Placed in library. See No. LT-1399/67].

(c) No Chinese employed in these establishments has come to notice for engaging in espionage work.

(d) Necessary precautionary measures have been taken to prevent subversive activities by the Chinese.

(e) Does not arise.

जगदलपुर का महल और बस्तर राज्य की सम्पत्ति का बंटवारा

8370. श्री झा० सुन्दर लाल : क्या गृह-कार्य मन्त्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि प्रशासी अधिकारियों ने फरवरी 1967 में बस्तर