

Companies raided to eradicate black money

148. SHRI BANWARI LAL PUROHIT :
SHRI SANTOSH MOHAN DEV :
PROF. K. K. TEWARY :
SHRI V. S. KRISHNA IYER :

Will the Minister of FINANCE be pleased to state :

(a) whether to eradicate the menace of black money in the country, Government have raided several companies during the last three months;

(b) if so, details of the companies on which raids were conducted and also details of incriminating documents seized;

(c) the action contemplated by Government against the offenders; and

(d) further steps Government propose to contemplate to check the increasing black money in the country ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). Yes, Sir. During the last 3 months i.e. November 85 to January 86 Income-tax Department conducted 1777 searches and seized prima-facie unaccounted assets worth Rs. 16.64 crores approximately apart from several incriminating account books and documents. Keeping in view the large number of searches it is not practicable to give the details of companies searched and incriminating documents seized.

Necessary action under various provisions of Direct Taxes Acts has been initiated in respect of all the persons searched.

(d) All necessary steps including administrative, legislative and institutional are being taken from time to time to curb the black money.

Violation of FERA by United Breweries group of companies

149. SHRI BANWARI LAL PUROHIT :
SHRI NARESH CHANDRA
CHATURVEDI :

Will the Minister of FINANCE be pleased to state :

(a) whether the enforcement wing of the Income Tax Department has arrested the Chairman of the United Breweries group of companies recently for violation of the Foreign Exchange Regulation Act;

(b) if so, details of the violations committed by the company;

(c) the details of the incriminating document seized during the raids; and

(d) the action contemplated by Government against the firm/company ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Directorate of Enforcement (FERA) arrested Shri Vijay Mallya, Chairman of the United Breweries Group of Companies, on 5.1.1986.

(b) to (d). As a result of searches, conducted on 9.7.1985, certain documents found to be useful for, or relevant to investigation or proceeding under Foreign Exchange Regulation Act, 1973, were seized. On the basis of investigations made, so far, one Show Cause Notice has been issued to M/s. United Breweries and others including Vijay Mallya for allegedly giving a guarantee of credit facilities of U. S. \$ 3 million to a non-resident firm, in contravention of Sec. 26(6) of the Foreign Exchange Regulation Act, 1973. Further investigations in the matter are still in progress. Appropriate action under the law, as warranted by the result of investigations, will be taken.

Study in U. S. and West Germany regarding demand for health foods

150. SHRI BANWARI LAL PUROHIT :
Will the Minister of COMMERCE be pleased to state :

(a) whether his Ministry has been asked to conduct a special study in U.S. and West Germany on the demand for health foods in those countries;

(b) if so, when such study will be conducted; and