

A High Level Committee has been set up recently by the Government to look into various aspects relating to investments made by financial institutions in the private sector companies. This Committee will look into, inter alia, the existing system adopted by the financial institutions for safeguarding the public interest in the invested companies and to suggest measures for effecting improvement therein.

**Raids on M/s. Mackinnon & Mackenzie & Co. Limited and Ranadeep Shipping Co. Ltd.**

5325. SHRIMATI PRAMILA DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that about three years back Enforcement Cell Branch of Reserve Bank of India Bombay carried out raids on Mackinnon Mackenzie & Co. Limited and Ranadeep Shipping Company Limited ;

(b) whether it is a fact that incriminating documents flouting FERA were seized from both the companies ; and

(c) if so, the action taken against both the companies which have infringed the FERA to the tune of crores of rupees ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) to (c) On the basis of information received, the Enforcement Directorate (Foreign Exchange Regulation Act) conducted searches of the premises of M/s. Mackinnon & Mackenzie & Company Limited, Bombay and its Directors, Manager, Planning and Development and two ex-Directors at Hyderabad and Calcutta on 2.5.1980. As a result of the searches, some documents were seized. The premises of the company and its Directors and Manager, Planning and Development were again searched on 7.10.1980 and some more documents were seized. On completion of investigations against the company, a show cause notice for contravention of the provisions of section 8(3) read with section 49 of the Foreign Exchange Regulation Act, 1973, involving an amount of U.S. \$ 6,86,976/-, has been issued to the Company and its

Directors on 1.10.1981. The case is pending adjudication.

On the basis of information, the Directorate searched the premises of M/s. Ranadip Shipping and Transport Company Limited, Bombay and the residence of its Managing Director on 27.3.1980 and seized certain documents. Further investigations are still in progress.

**Sale of Shares by P & O steam Navigation Co. Ltd., London**

5326. SHRIMATI PRAMILA DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that P & O Steam Navigation Co. Limited (London) has approached Reserve Bank of India to sell their 40 per cent shares in Mackinnon Mackenzie;

(b) whether it has come to the notice of Government that during the raids carried out on Mackinnon Mackenzie and Ranadeep Co. Pvt Limited by Enforcement Branch of Reserve Bank of India, Bombay, incriminating documents flouting FERA were seized;

(c) whether the documents revealed fishy dealings between these companies interlinked with a loan from and whether permission of sale of Ranadeep Co. Limited; and

(d) if so, what action has been taken against these two companies and whether permission of sale of shares has been granted to P & O ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) British Indian Steam Navigation Co. Ltd., U.K. has approached the Reserve Bank of India to sell its entire holding of 10,00,000 equity shares of Rs. 10/- each held by it in M/s. Mackinnon Mackenzie & Co. Ltd., Bombay.

(b) to (d) On the basis of information received, the Enforcement Directorate (Foreign Exchange Regulation Act) conducted