

(b) if so, the particulars thereof;

(c) whether these methods of higher dividends were declared with a view to repatriate their capital to their countries and cheat Government in case of nationalisation; and

(d) if so, the reaction of Government thereto?

**THE MINISTER OF PETROLEUM AND CHEMICALS (SHRI P. C. SETHI) :**

(a) Yes, Sir.

(b) Net Profits, transfers from reserves and dividends by the three major foreign oil refineries of Burmah-Shell, Caltex, and Esso during the year 1969 and 1970 are as under :—

Year	Net Profits	Transfer from Reserve	Rs./Lakhs Dividends declared
1969	515	446	961
1970	546	612	1158

Particulars regarding the marketing companies are being collected.

(c) and (d). Apparently, the companies found the retained profits of previous years to be surplus to their current requirements and therefore they have withdrawn them from the reserves and transferred them back to the foreign holding companies by way of dividends. This has enabled the foreign holding companies to reduce their equity in the Indian subsidiaries. In the process the net worth of the subsidiaries has also been reduced. The companies have not contravened the provisions of either the Companies Act or the Foreign Exchange Regulation Act in drawing upon uncapitalised reserves built out of past profits to declare dividends in excess of net profits made during the year.

**Assessment of Income of Volga Restaurant, New Delhi and the Group for Recovery of Income-Tax**

935. **SHRI KRISHNA CHANDRA HALDER :**  
**SHRI RATTAN LAL BRAHMNAN :**

Will the Minister of FINANCE be pleased to state :

(a) the number of assessments completed and the amount recovered from M/s Volga Restaurant, New Delhi and the group during the last three years;

(b) whether their concerns in Bombay were assessed in Delhi for the last fifteen years; and

(c) if so, the reasons why these cases have been transferred to Bombay ?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) :** (a) The number of assessments completed is 46 and the amount recovered in this case during the last three years is Rs. 19.49 lakhs.

(b) Yes, Sir, upto 14-8-1969.

(c) These cases were transferred to Bombay considering the fact that the Hundi Circle at Bombay would be in a better position to deal with these cases as hundi transactions were involved. However, the assessee has come up for a settlement and agreed for treating the hundi loans as his income. Further investigations in Bombay are, therefore, found to be unnecessary. As required by law, the assessee has been required to show cause why the cases should not be transferred back to Delhi. Orders about the transfer of the cases will be passed after considering the assessee's objections.