

MR. SPEAKER: Come to me. I will prove.

SHRI JYOTIRMOY BOSU: I will, certainly; to-day, between 3 p.m. and 8 p.m. Please do the advance booking.

MR. SPEAKER: Mr. Harikesh Bahadur.

—J—

12.33 hrs.

CALLING ATTENTION TO MATTER  
OF URGENT PUBLIC IMPORTANCE

REPORTED PAYMENT OF BLACK-  
MONEY BY MESSRS ZENITH STEEL  
PIPES AND INDUSTRIES LTD. FOR  
OFFICE PREMISES IN BOMBAY

SHRI HARIKESH BAHADUR (Gorakhpur): I call the attention of the Minister of Finance to the following matter of urgent public importance and request that he may make a statement thereon:

'The reported payment of Rs. 31,90,500/- by M/s. Zenith Steel Pipes and Industries Ltd. by way of black money for purchase of office premises in Dalamal House at Nariman Point, Bombay and the action taken by the Government in the matter.'

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): Mr. Speaker, Sir, during the course of a search on 29-9-1980 in the office and residential premises of M/s. D. & H. Secheron Electrodes Private Ltd. and M/s. D. & H. Electrodes Co and persons connected with them, certain documents pertaining to a sister concern, M/s. Dalamal & Sons Investment Co., were found and seized by the Income-tax Department. Among the documents seized were some, purported to have been maintained by an ex-Accountant of the firm, showing collections of on-money of about Rs. 90,00,000/- on the sale of premises in Dalamal House and about Rs. 80,00,000

in the case of Dalamal Towers. Entries in these documents show that M/s. Zenith Steel Pipes and Industries Ltd., Bombay, paid a sum of Rs. 35,45,000/- for the purchase of office premises in Dalamal House according to the agreement and that the company paid, in addition, a sum of Rs. 31,90,500/- as on-money for purchase of the same office premises. The authenticity of the documents indicating the receipt of on-money as mentioned above by M/s. Dalamal & Sons Investment Co. has been disputed and payment of any on-money has been denied both by the purchasers and the sellers of the premises. The matter is under investigation.

Investigations in these cases are in progress and some of the parties involved in these transactions are being examined by the officers of the Income-tax Department.

SHRI GEORGE FERNANDES (Muzaffarpur): They promised to put this money in the black bonds.

SHRI HARIKESH BAHADUR: This M/s. Zenith Steel Pipes and Industries Ltd. is a Birla Firm and Ashok Birla is its Chairman also. They have purchased this office premises at Nariman Point in Dalamal House. About this, the hon. Minister has already said that there are more documents which are available according to which some indications are there. But it is being denied by both the purchaser and the person who has sold it; and the matter is under investigation. The first thing I would like to ask is this. Which is the agency which is investigating into this episode? I would like that a judicial enquiry be instituted. The person who has given this affidavit says that the matter should be enquired into and if he is found to be incorrect, he must be punished: whatever action may be taken that should be taken against him. Since the affidavit is already there, the action will be taken if it proves to be wrong. But with all emphasis at his

command, he says that whatever he has stated is completely correct.

But regarding this particular matter, a photostat copy of this notarized affidavit signed by Mr. R. C. Sharma had already been sent to the hon. Prime Minister also a few months back or a few days back but no action has been taken and no action was being taken until I just raised this issue before you and brought this matter before this House through an adjournment motion. When you directed me, I gave a calling attention notice. I have also handed over a copy of this affidavit. If you permit, I would like to lay it on the Table of the House so that it must become a property of the House. Now, I would like to lay it on the Table of the House.

MR. SPEAKER: We will examine it.

SHRI HARIKESH BAHADUR: According to this, M/s. Zenith Steel Pipes and Industries Ltd. paid a cheque for Rs. 35,45,000 and cash Rs. 31,90,500. Therefore, this matter is being properly investigated. Those people who have paid this money by way of blackmoney, they will certainly be caught; they should be punished. Now my point will be that if this Government is really interested in taking action against the persons who are corrupt or who are involved in corruption—as the Prime Minister has been telling about it continuously and twice her statements had appeared in the Press also—then action must be taken against them. Now, if this is a fact, then what is the reason why his investigation was not started earlier when this photostat copy of this notarized affidavit was sent to the Prime Minister? But I can say that no action was being taken.

About the Bearer Bonds Bill which has been passed recently, I would like to say that people like Birla, etc. who are having blackmoney, they know that if they purchase these bearer bonds, they will get very little interest on them. Therefore, they would

never like to purchase those bonds; they will try to invest their money for a greater profit which they are doing. According to this, it is very clear.

Now, I would like to ask from the hon. Minister how much time will be taken for this enquiry; whether the report of the enquiry will be placed on the Table of the House? With these words, again I would like to request the hon. Finance Minister to take serious action against the persons who are involved in this corruption and bungling.

SHRI GEORGE FERNANDES: Is Mr. Shukla making a statement today.

MR. SPEAKER: You ask him.

SHRI HARIKESH BAHADUR: If there is a *prima facie* evidence against these persons, then these persons may be arrested also.

SHRI R. VENKATARAMAN: Mr. Speaker, apparently, the hon. Member does not know all the things that had been done in this case. The transaction which he had referred to is one of 250 transactions that had taken place. We have investigated...

SHRI GEORGE FERNANDES: How many crores of rupees are involved?

SHRI R. VENKATARAMAN: I will give you all the figures because I am giving more information than even the members have. Therefore, I want to give that.

The Dalamal Investment Company has two buildings. In these two buildings, they have 250 flats, and these 250 flats they have sold to different persons in the Dalamal House and the white money received was Rs. 1,98,14,300 and the blackmoney suspected is Rs. 90 lakhs.

In the Dalamal Towers the white money received is Rs. 1,97,66,120 and the black money suspected is Rs. 80 lakhs. We have conducted searches of 40 premises, and we have so far recovered cash worth Rs. 1,80,000 in foreign currency. (Interruptions).

**SHRI JYOTIRMOY BOSU:** Does it cover... (*Interruptions*).

**SHRI R. VENKATARAMAN:** I will give you all the figures. Then you will be happy.

Foreign exchange worth Rs. 28,000, jewellery worth Rs. 61,42,000. (*Interruptions*). And bullion worth Rs. 1.98 lakhs, silver worth Rs. 2.3 lakhs, fixed deposits worth Rs. 1.97 lakhs, foreign whisky and foreign articles Rs. 4,57,000. (*Interruptions*). And a total of Rs. 69,48,000 in addition to unmentionable films. I lay this information because hon. friend said that it has not been given. In fact, this particular instance of one transaction with these Dalamal House forms one of the 250 transactions and we are concentrating more on the man who received the money than on the man who gave the money. If we go to the man who gave the money, namely the persons who gave the money, then I have to go to 250 people; but if I concentrate on the person who received the money, then I will be able to get all the information because I am having a thorough search of all the ramifications and connections of these persons. That is why we are going on his right path in the right direction. My hon. friend has been wrongly informed that nothing has been done. Strong action will be taken when the investigation is over. We are not interested in protecting or shielding anybody. We want to bring to book every person who is really guilty.

**SHRI R. K. MHALGI (Thane):** I would like to put only two questions.

**AN HON. MEMBER:** Pointed questions.

**SHRI R. K. MHALGI:** When did this matter first come to the notice of the Government, and secondly, when did the investigations in this case commence and at what stage do the proceedings stand? Who are conduc-

ting these investigations? You mentioned some officers. What are the names of those Income Tax Officers? (*Interruptions*).

12.43 hrs.

**MR. DEPUTY SPEAKER:** in the Chair.

The House must know that. When are the investigations likely to be completed?

**SHRI R. VENKATRAMAN:** Information came around the 29th of September Searches had started on the 30th of September. Therefore, immediate action yielded these results. Otherwise, possibly we would not have got all the information I placed before the House.

Second thing is, with regard to the inquiry, it is being done by the whole team of Income Tax Officers connected with this in Bombay, the entire Department. We cannot say one or the other because several officers are going to several persons and trying to collate all the information. (*Interruptions*). Some searches started even on the 29th, on the day we got the information. But a large number of searches were made on the 30th.

Then, so are as the action is concerned, we are trying to gather the evidence and without evidence we do not want to get the cases lost. We will do everything in our hands to get all the evidence in the case and prosecute the persons concerned.

**SHRI R. K. MHALGI:** When is the investigation likely to be completed?

**SHRI R. VENKATRAMAN:** You are a lawyer. How can I say? I will try to expedite it.

श्री राम विलास पासवान (हाजीपुर) :  
उपाध्यक्ष महोदय, मंत्री महोदय ने जो  
जवाब दिया है, उसमें यदि आप पढ़ें  
तो इसमें इस बात को इन्होंने कबूल

किया है कि पकड़ी दी गई है। अभी तक डालामल हार्डिसिंग के परिसर में लगभग इतनी पगड़ी दी, डालामल टावर के मामले में इतनी पगड़ी की वसूली दिखाई गई है। इसका मतलब है कि सरकार बतायेगी कि पगड़ी लीगल है या इल-ली-गल है? इसके बाद इन्होंने एकशन क्या लिया है, कुछ भी नहीं। मंत्री महोदय का ध्यान मैं बम्बई के अखबार इंडियन एक्सप्रेस के 11 फरवरी के पहले पेज पर खींचना चाहता हूँ, जिसमें दिया है कि :—

“City's high-rise boom! Flats to be sold for Rs. 1.12 crores?”

मैं समझता हूँ कि मंत्री महोदय ने इसे जरूर पढ़ा होगा, क्योंकि वह सरकार में हैं तो उनको बहुत ज्यादा गोलमाल के मामले बचाने पड़ते हैं, छिपाने पड़ते हैं। लेकिन अगर उन्होंने पढ़ा भी होगा तो बतायेंगे नहीं।

मंत्री महोदय ने जैसा बताया जो बम्बई की हालत है, बहुत बड़े पैमाने पर दिल्ली में भी और सब जगह बड़े-बड़े शहरों में ब्लैक मनी को व्हाइट मनी करने का काम चल रहा है। 10 लाख की चीज है तो 5 लाख में शो कर दो उधर उसका भी काम चलता है और लेने वाले का भी काम चल जाता है। यह दोनों तरीके से हो रहा है। एक-एक स्क्वेयर फुट जमीन के लिये 2, 2 हजार रुपये देना पड़ता है। मैं मंत्री महोदय से जानना चाहता हूँ, जैसा उन्होंने कहा कि डालामल और बिड़ला की कम्पनियों के सम्बन्ध में कुछ कागजात जप्त हुए हैं, तो डालामल का मेन कार्यालय हांगकांग में है, उसका सारा बिजनेस वहाँ पर है, वहाँ से जो कागजात जप्त किये हैं और बिड़ला की जो विदेश में फर्म हैं, वहाँ से भी जो कागजात जप्त किये हैं, उनमें कितनी रकम का गड़बड़

घोटाला है और मंत्री जी इसमें क्या कार्यवाही करने जा रहे हैं?

मेरा कहना यह भी है कि सारे बैंकों में एक सीक्रेट फंड रहता है, जिसका काम रहता है कि ब्लैक मनी में वह रुपया दे देता है और पगड़ी वगैरा का सारा काम करता है। यह प्रत्येक बैंक में सीक्रेट फंड होता है। इस सम्बन्ध में सरकार क्या कर रही है?

सरकार को यह अधिकार है कि इन्कम टैक्स एक्ट के मुताबिक जैसे यह मामला आपके सामने आया है, सरकार उस मकान या जमीन को खरीद सकती है। जब मालूम हो गया है कि उसने पगड़ी दी है, अंडर वॉल्यू कर के दिया है तो सरकार इसे खरीद सकती है और खरीद कर पुनः बेच सकती है। सरकार को उसमें मुनाफा हो सकता है। मैं जानना चाहता हूँ कि जो यह मामला पकड़ा गया है, क्या इसमें सरकार उस मकान को खरीदेगी और अपने पास सरकारी उपयोग के लिये रखेगी या फिर उसे ओवर्शन कर के बेचेगी?

SHRI R. VENKATARAMAN: I just want to correct what I said. I said by a slip of the tongue “May”. It is September, not May.

SHRI R. K. MHALGI: Late by three months?

SHRI R. VENKATARAMAN: No. I will explain. The transaction was in May, and it was brought to our notice around September 29, 1980, and I said, on the same day. I made a mistake between the date of the transaction and the date of information. I want to correct it.

What is the total quantity of black money involved? That is what Mr. Paswan asked.

श्री राम विनास पातवान : मेरा पहला प्रश्न यह था कि डालामल का जो बिजनेस चलता है, उनका मेन कार्यालय हांगकांग में है। उनके जो कागजात आपने जत किये हैं और बिड़ला के भां जो कागजात जप्त किये हैं, बिदेशों में जो उनका ट्रान्जैक्शन हो रहा है, उसमें क्या निकला है ? इस सारे मामले में आपने क्या पकड़ा है और क्या कार्यवाही कर रहे है ? दूसरे बैंकों में जो मॉक्रेट फंड रहता है, उसके बारे में है ?

SHRI R. VENKATARAMAN: Our entire effort is directed towards finding out the total number of flats sold and the total amount of money involved in this transaction. If we are diverted from this and go into the transaction between each one of the purchasers and the Dalamal, then we will lose sight of the main purpose of the enquiry viz. lot of black-money that was generated by sale of 250 flats in two buildings. Therefore, we are concentrating on this. If anything in the course of the investigation arises which gives rise to a further investigation in respect of transactions between Dalamal Investment Company and Zenith, we will pursue it. But at the moment, we are pursuing this transaction and the suspected black-money involved in this is Rs. 90 lakhs in respect of one building and Rs. 80 lakhs in respect of another building. the total amount involved is Rs. 1.7 crores.

Then the question was asked that the banks are helping. We have no such information that banks are helping in this transaction. Mr. Paswan cannot make an allegation... (Interruptions).

MR. DEPUTY-SPEAKER: Let him complete and then you can ask.

SHRI GEORGE FERNANDES: \*\*

MR. DEPUTY-SPEAKER: Mr. Paswan only can do it. Why are you raising it. This will not go on record.

SHRI JYOTIRMOY BOSU: I am making a submission. (Interruptions).

MR. DEPUTY-SPEAKER: You know that this is a calling attention. Mr. Paswan can raise it. How can Mr. George raise it. I will not allow you. It is not correct. In this way, we cannot conduct the proceedings.

SHRI JYOTIRMOY BOSU: I am seeking your protection...

MR. DEPUTY-SPEAKER: The Minister is on his legs. Let him reply.

SHRI JYOTIRMOY BOSU: I am seeking your protection.

MR. DEPUTY-SPEAKER: You need not seek. I will not permit you. The Minister is on his legs and let him reply.

SHRI R. VENKATARAMAN: But the most important point made by Shri Paswan and a very valid one is that why the Government is not exercising the power under the Income-tax Act of purchasing these flats when they have information or knowledge that they are being sold below the market price.

SHRI JYOTIRMOY BOSU: Undervalue.

SHRI R. VENKATARAMAN: Yes, undervalue. Hon. Members would be aware that under the present interpretation of the law, sale of cooperative flats are not governed by the law because, I have been advised, under the law this is a transfer of the interest of one member in the cooperative to another. Therefore, I have brought in my present\*\*. Finance Bill a provision for amending this. (Interruptions). You please read my Finance Bill. It is exactly to plug this hole that I have brought forward an amendment by which I will be able to buy even cooperative flats if I am satisfied or the Department is

\*\*A statement correcting the information was made at 6 p.m.

satisfied that there is an under-valuation. A lacuna in the law has been filled up in the Finance Bill which I have brought. Certainly we will try to exercise this power in the larger measure. But I must take the House into confidence and say that the attempts made by the Government in this regard have always been—I would not say, thwarted—held up because of a number of stay granted by courts. We have not been able to acquire one single flat. I would like the House to support me when I come forward with a different measure, in which I will see that in respect of these purchases... (*Interruptions*). This is a very important matter and I am very keen that this kind of transactions, in which half the payment is over the table and half is under the table, should be nipped in the bud. I can do it, provided I get assistance so that I can buy property which is under-valued. If there is no obstruction to the Government buying the property, which is under-valued, then this great evil will be completely stopped. I am taking steps to see how I can strengthen this. As I have already said, I have brought an amendment in the Finance Bill.

श्री राम विलास पासवान : मैं एक क्लेरिफिकेशन चाहता हूँ, मंत्री महोदय ने कहा कि ठीक है, मैं इस से सहमत हूँ कि सरकार उसे खरीद सकती है लेकिन अभी उनके पास कोई अधिकार नहीं है तो क्या सरकार जब अधिकार मिल जायगा तो इस का उपयोग इस पर करेगी ? अभी भी अधिकार है मंत्री महोदय को और जब यह मामला सामने आ गया है तो क्या वह इस पर विचार करेंगे कि इस मामले में इस अधिकार का प्रयोग करें ?

12.56 hrs.

## STATEMENT BY MEMBER

STRIKE BY YARDMEN OF BOMBAY  
CENTRAL TERMINUS

SHRI BANATWALLA (Ponnani):  
Mr. Speaker, Sir, With your permission, I make the following statement under Direction 115:—

“In reply to my Unstarred question No. 4341, (answered on 18th December, 1980) as to whether the yardmen of the Bombay Central Terminus had gone on strike recently, the Hon'ble Deputy Minister of Railways has replied in the negative. I submit that the reply is inaccurate and misleading.

I submit that on 14th November, 1980, some yardmen approached the then D.R.M. in connection with their grievances and demands; but they were turned out of office. The consequent resentment among the yardmen led to strike and there was a stoppage of work from 11.30 a.m. to 2.15 p.m. It was only when certain officers intervened assuring that their demands would receive due consideration that the yardmen returned to work. It is unfortunate that instead of appreciating the enlightened act of labour to return to work after a brief strike, there is a total denial of the stoppage of work.

I further submit that as a result of the stoppage of work, there was delay in train service. Ahmedabad Passenger train was subject to delay.

Further, in reply to part (c) of my said question as to the demands of the yardmen and government reaction thereon, the reply of the Hon'ble Deputy Minister is to the effect that it does not arise. The reply thus suggests that there are no grievances among the yardmen including demands that those working in the yard and at the station as substitutes or on ad hoc basis be made permanent, that uniforms be supplied etc.