

PROF. P. J. KURIEN: How is it the same question comes up again and again?

MR. SPEAKER: There are other forms. Sometimes it is income-tax, sometimes it is gold, sometimes it is infringement of some rules.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS AND DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI P. VENKATASUBBAIAH): Sir, this is an aspersion on the Secretariat. It should not go on record.

* **MR. SPEAKER:** Ballot is ballot; ballot is ballot. There is nothing. The Secretariat is impartial. For us, all are hon. Members. There is nothing.

Tax Evasion and FERA and Gold Control Violations by Parle Group of Companies

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*354. **SHRI K. LAKKAPPA:**
SHRI DHARAM DASS SHASTRI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Parle Group of Companies have evaded Income Tax, Sales Tax, Excise Duty to the tune of crores of rupees and violated FERA and Gold Control Act a number of times;

(b) if so, full details of tax evasion and FERA and Gold Control violations during the last ten years;

(c) how many times the Income Tax and Excise officials raided the offices of Parle Group of Companies and the premises of its Managing Partner including Dr. Rossi and Mr. Chauhan;

(d) full details of cash and other incriminating documents seized as a result of raids;

(e) what is the present stage of investigation in all the above cases and action taken thereon; and

(f) what action Government are contemplating so that this Group of companies does not indulge in such activities in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA): (a) to (e). A statement is laid on the Table of the House.

(f) The field formations of the Customs, Central Excise and Income-tax Departments, as also the specialised enforcement agencies of the Department of Revenue remain vigilant and appropriate action is taken by them in such matters.

Statement

ENFORCEMENT DIRECTORATE. The officers of the Enforcement Directorate conducted searches at the premises of M/s. Bisleri (India) Pvt. Ltd., Bombay—a company within the Parle Group—as also the premises of its Directors Dr. C. Rossi and Shri Ramesh J. Chauhan and some other connected premises in November, 1977. The searches resulted in seizure of documents and a small amount of foreign exchange. After investigations, the following Show Cause Notices were issued:—

(i) To M/s. Bisleri (India) Pvt. Ltd, Bombay and its Directors, S/ Shri Ramesh J. Chauhan and H. M. Golwala on 2-3-78 for having utilised foreign exchange amounting to 14,336—for a purpose other than the one for which it was acquired—Violation of section 4(3) of the Foreign Exchange Regulation Act, 1947.

(ii) To Shri Ramesh J. Chauhan on 14-4-78 for acknowledging a debt of Rs. 2 lakhs thereby creating a contingent right in favour of Dr. C. Rossi to receive a payment—Violation of section 5(1) (f) of

Foreign Exchange Regulation Act, 1947.

(iii) To Smt. Meenaxi Jasdawala (a sister of Shri Ramesh J. Chauhan), on 15-12-77 for acquiring foreign exchange amounting to U.A.E. Dirhams 500 without the permission of Reserve Bank of India — Violation of section 8(1) of Foreign Exchange Regulation Act, 1973.

On adjudication, on 25-9-78 a penalty of Rs. 1,50,000 was imposed on the company and Rs. 15,000 each on its Directorate S/Shri Ramesh J. Chauhan and H. M. Golwala in case of Show Cause Notice at (i) above. The charge against Shri Ramesh J. Chauhan in case of Show Cause Notice (ii) above was not held as proved and was dropped on 20-10-78. Smt. Meenaxi Jasdawala died in an Air-crash on 1-1-78 and the proceedings against her, therefore, abated. The company and its two Directors have filed an appeal against the adjudication order in respect of Show Cause Notice (i) above before the Foreign Exchange Regulation Appellate Board and the same is pending. Against the adjudication order in respect of Show Cause Notice (ii) above, an application has been filed before the Foreign Exchange Regulation Appellate Board to review the order under section 52(4) of FERA 1973, which is pending.

CENTRAL BUREAU OF INVESTIGATION: On a complaint regarding violation of FERA by M/s. Bisleri (India) Pvt. Ltd., received from the Enforcement Directorate, a case No. RC 1/80-SIU.II was registered on 5-4-80 against the said company and its two Directors namely, S/Shri Ramesh Chauhan and H. M. Golwala under section 120-B IPC r/w 420 IPC & 22|23 (1-A) and 23-C of FERA, 1947 and substantive offences u/s 420 IPC & 22|23 (1-A)|23-C of FERA, 1947.

In pursuance of criminal conspiracy the accused obtained permission for

remittance of Pound 14,336 to Italy in the year 1971 by misrepresenting the facts and by cheating the Reserve Bank of India through Bank of Baroda, thereby violating the provisions of FERA, 1947 and the Indian Penal Code.

The CBI had raided the office of Parle Group of Companies, and the residential premises of its Directors, namely, S/Shri Ramesh Chauhan, Prakash Chauhan and H. M. Golwala and also the office of Dr. C. Rossi, Voluminous incriminating documents had been seized from the above said places. A small amount of foreign exchange was also seized from the residence of Mr. Prakash Chauhan. The seizure of foreign currency has been referred to Enforcement Directorate for taking necessary action. The case is under investigation.

CENTRAL EXCISE: According to information available with Government, no raids have taken place so far as the Central Excise Department is concerned. However, certain cases of alleged evasion of Central Excise duty, by Parle Beverages Pvt. Ltd., Bombay have come to the notice of the Government. A number of show-cause-cum-demand notices have been issued, demanding Central Excise duty amounting to Rs. 123.92 lakhs alleged to have been short-levied, in respect of aerated water and Prepared or Preserved Foods falling under Tariff Item 1B of the Central Excise Tariff, during the period 1-8-73 to 31-1-1980. Similar demands have been raised for the subsequent period. The dispute involved is with reference to what should be the correct assessable value of the aforesaid goods produced and cleared by the factory. The adjudication proceedings on the first show-cause-cum-demand notice issued in 1974 have been finalised and necessary order has been issued by the Collector. Action on the subsequent show-cause-cum-demand notices is being taken.

Another case against M/s. Parle Exports Private Ltd., Ahmedabad was adjudicated by the Collector of Central Excise, Baroda on 12-8-80. It related to the clearance of concentrated essences valued at Rs. 1.87 crores approximately, without payment of duty amounting to Rs. 7.02 lakhs approximately, by the said firm during the period 18-8-77 to 5-10-78. In the adjudication order, the Collector has ordered that the goods be classified under Tariff Item No. 63 and duty charged on the past clearances made without payment of duty. A Personal penalty of Rs. 70,000 was also imposed on the party. The company has filed an appeal against the Collector's order which is pending with the Central Board of Excise & Customs. The company has also filed a writ petition in the Gujarat High Court and has obtained a stay against enforcement of the Collector's order.

A show-cause-cum-demand notice for Rs. 3.5 lakhs for the period from 1-3-1975 to 18-4-1979 has also been raised against this company at Bombay. The case is pending adjudication.

Income-Tax: In so far as the Income-tax Department is concerned, no raids have been conducted by them either on the Parle Group of Companies or on the premises of Dr. Rossi and Shri Ramesh Chauhan. The question of seizures by the Income-tax Department does not, therefore, arise. However, the Income-tax Department had impounded certain account books and documents from the CBI authorities and the matter is under investigation.

Sales-Tax: Levy of taxes on sales of goods taking place inside a State is a State subject under the Constitution. Central sales-tax levied on inter-state sales of goods under Central Sales-tax Act, 1956 is also administered by the States who collect and retain the proceeds of such tax. The Central Government has no in-

formation with regard to the evasion of sales-tax by Parle Group of Companies.

Gold Control: According to information available with Government, no raids have been conducted under the Gold (Control) Act.

SHRI K. LAKKAPPA: I remember the Mundhra case. During Nehru's time, Shri Feroze Gandhi raised it. This is also one of the same type. According to the information given here, there are violations of the FERA, customs rules, income-tax law and cheating. Cases have been registered under all sections of the Indian Penal Code by the Enforcement Directorate. In this inquiry it has been revealed that a large sum of money is being looted by this Company.

MR. SPEAKER: Put the question.

SHRI K. LAKKAPPA: Information has been collected and prosecution launched.

MR. SPEAKER: That is all right.

SHRI K. LAKKAPPA: The CBI investigation has also revealed that there are certain incriminating documents with them.

MR. SPEAKER: You put the question.

SHRI K. LAKKAPPA: May I know (a) why the income-tax people have not raided this company; and (b) whether it is a fact that Ramesh Chauhan and**

are also involved in connection with this?

MR. SPEAKER: I cannot allow that without prior notice. I cannot allow that.

SHRI RATANSINH RAJDA: How is this case coming up again and again? How is it allowed?

MR. SPEAKER: Not allowed. No name is allowed. I cannot allow any name.

**Expunged as ordered by the Chair.

SHRI RATANSINH RAJDA: If I put such a question, immediately I receive a Memo from your office "this has already been answered".

SHRI K. LAKKAPPA: It is admitted here. I am not making any allegation against any individual. Shall I read out the statement?

MR. SPEAKER: No question of reading it. Just put the question. Otherwise, I will get over the time and then I will stop it. This is not a discussion; this is a question.

SHRI K. LAKKAPPA: Is it a fact that the raids made on four companies have revealed that they have completely violated these regulations and rules? They have also disclosed that in Coimbatore there is one** who is involved in this case.

MR. SPEAKER: What are you trying to find out?

SHRI K. LAKKAPPA: Is there any connection between Parle Group and those companies. How is it that the income-tax officers have raided only when it was brought to their notice by the CBI enquiry? Why is it that there is such a delay? Is it also a fact....

MR. SPEAKER: Why can't you stop sometimes?

SHRI K. LAKKAPPA: (c) the customs officers in Bombay are in connivance with the Parle Group, they are circumventing the laws and violation is going on.

MR. SPEAKER: Why can't you put it in the form of a question?

SHRI K. LAKKAPPA: I have put it in the form of a question about the customs officers. Please bear with me

for one minute. Shall I put a question? You are the Speaker. I have to be controlled by you. I am a disciplined member.

May I know whether it is a fact that the customs officers are in collusion with this group of Parles to circumvent the prosecutions against them? How is it that instant prosecution has not taken place, as it happens in other cases?

SHRI SAWAI SINGH SISODIA: As a matter of fact, detailed information has been laid on the Table of the House. Even then, I would like to reply to the supplementary put by my hon. friend. First of all, he wanted to know about the income-tax raids. There was no raid on behalf of the Income-tax Department. On the basis of the information received from the Enforcement Directorate that they have seized certain books of accounts in the course of the search in the Parle group of companies, the books were impounded by the Income-tax Department from the Assistant Director, Enforcement Directorate. Later, on the basis of the request made by the CBI Special Investigation Cell, New Delhi, these books were handed over to the CBI for further investigation. The impounded books are still with the CBI. Therefore, no further action has been taken.

PROF. N. G. RANGA: How long is this taking?

MR. SPEAKER: The whole thing has been given in writing.

SHRI SAWAI SINGH SISODIA: Regarding delay and collusion I would say that the charge of collusion is incorrect, according to the facts which are before us. The officers have to function under the Act and the various regulations. They have to follow the proper procedure. The procedure has been followed. The

**Expunged as ordered by the Chair.

adjudication, judgment or decision will be delivered in course of time.

SHRI K. LAKKAPPA: In view of the fact that several crores of rupees of evasion has been detected by the various departments of revenue, in order to prevent the Collectors taking shelter under the various dubious methods of circumventing the law, will the hon. Finance Minister expedite the thing by ensuring the Special Cell for Economic Offences is created and prosecution is launched.

SHRI SAWAI SINGH SISODIA: There are special courts which look after the economic offences, and specially in Bombay and other Metropolitan cities such courts have been established, and they are trying the cases connected with the economic offences. He says, whether there will be any direction from the Government, I would like to say again that the function of the Collector and other officers under the Custom and Excise Act is quasijudicial and, therefore, we cannot give such direction. They are supposed to give an adjudication as soon as possible and follow rules and connected laws.

श्री धर्मदास शास्त्री : अध्यक्ष जी, मैं मंत्री जी से यह जानना चाहूंगा कि उन्होंने अपने नोट में पूरी बात दी है कि सी० बी० आई० हैं छापे मारे डायरेक्टरों के घरों पर

अध्यक्ष महोदय : यह तो हो गया ।

श्री धर्मदास शास्त्री : मैं यही जानना चाहता हूँ कि वह छापे कब मारे गये, उसकी कोई तारीख का इसमें जिक्र नहीं है । बेशुमार कागजात पकड़े गये, विदेशी मुद्रा पकड़ी गई । ऐसे इकोनामिक ऑफेंसेज में हमेशा उनको गिरफ्तार किया जाता है । लेकिन इन दोषी लोगों को गिरफ्तार

नहीं किया गया । बाखिर उनके साथ यह रियायत क्यों बरती जा रही है ? और यह भी जानना चाहता हूँ कि इस कम्पनी के कितने मामले (इवधान)

एक माननीय सदस्य : मिस्टर जेट-मलानी, .. ** ..
(इवधान)

अध्यक्ष महोदय : आप सवाल कर लीजिए जो करना है । क्या कर रहे हैं आप लोग ।

श्री धर्मदास शास्त्री : अध्यक्ष महोदय, मैं यह प्रश्न कर रहा हूँ कि इस कम्पनी के कुल कितने मामले ऐडजुडिकेशन में हैं और कितने मामलों में निर्णय हो चुका है ? इसका पूरा-ब्योरा हमको अभी नहीं मिला है । और वह कौन कौन सी दूसरी कम्पनियां हैं जो इन मामलों में शामिल हैं, उन कम्पनियों का भी जिक्र आना चाहिए । अहमदाबाद में एक नई फर्म का जिक्र आया है, जिसका मतलब है कई और फर्म हैं जिनके नाम मैं जानना चाहता हूँ ।

श्री सवाई सिंह सिसोदिया : माननीय सदस्य ने दो सवाल पूछे हैं । पहला प्रश्न है कि सी० बी० आई० ने कब कैसे रजिस्टर किया और उसका क्या परिणाम निकला । मेरा निवेदन है कि कैसे रजिस्टर किया है 5 अप्रैल, 1980 को और जो पहला केस है वह एफ०ई०आर०ए०के बायलेशन के सम्बन्ध में था और उसका इनवेस्टीगेशन पूरा नहीं हुआ है क्योंकि दूसरे मुल्कों में भी इनवेस्टीगेशन होना बाकी है, वहां से सूचना आनी है । यह इनवेस्टीगेशन पूरा नहीं हुआ, अभी बाकी है ।

दूसरे केस के बारे में मेरा निवेदन यह है कि :

Case under Import and Export Act. After completion of the investigation, a complaint has been filed against the accused person in the court of an Additional Chief Metropolitan Magistrate in Bombay on 15th November, 1980.

इसके प्रतिरिक्त इन्होंने जानकारी मांगी है कि इनके खिलाफ कुल कितने केसज हैं ऐडजुडिकेशन में। मेरा कहना है कि 32 केसज हैं।

32 cases of under-valuation in respect of aerated water and prepared or preserved food for the period 1st July 1974 to 31st March 1980 involving duty of Rs. 117 lakhs plus demand cases for subsequent period. The result of the adjudication is this. In one case pertaining to the period from 1st August 1973 to 30th June 1974 involving duty of Rs. 7.28 lakhs decided on 3rd March 1981. A duty of Rs. 6.69 lakhs demanded and a penalty of Rs. 8 lakhs and Rs. 1000 was imposed. Land, building, plant and machinery were confiscated with option to redeem the same on payment of a fine of Rs. 25 lakhs. Similarly, there is a Parle Export, Private Ltd. Company.

अध्यक्ष महोदय : यह तो लिख कर भेज दीजिए आप।

SHRI K. LAKKAPPA: Let the House know about it.

SHRI SAWAI SINGH SISODIA: In this case also, on 12th August, 1980, a duty amounting to Rs 7 lakhs was demanded for the period from 8th June 1977 to 1978 and a penalty of Rs. 70,000 had been imposed. All these cases are pending before the Appellate and adjudicating authorities.

SHRI RAM JETHMALANI: Will the hon. Minister please tell us whether all the misfortunes of the Parle Group of companies have started after Coca Cola**.

went out of business and all raids, all cases, have been instigated**

MR. SPEAKER: No; not allowed.

SHRI RAM JETHMALANI: Kindly tell this House whether all these complaints have been made by Coca Cola**
(Interruptions)

MR. SPEAKER: No; not allowed. You cannot insinuate.
(Interruptions)

MR. SPEAKER: Not allowed; no name is to be mentioned.
(Interruptions)

MR. SPEAKER: No name to be mentioned. You cannot insinuate.

अध्यक्ष महोदय आप ऐसा क्यों कर रहे हैं आप बैठते क्यों नहीं?
(व्यवधान)

अध्यक्ष महोदय आप क्या कर रहे हैं?

SHRI SAWAI SINGH SISODIA: The law has taken its own course and the proceeding has started as late as in 1974 and it has continued during the Janata regime also
(Interruptions)

MR. SPEAKER. Next question—

Shri Narain Chand Parashar.
(Interruptions)

MR. SPEAKER. Nothing doing; not allowed.
(Interruptions)

MR. SPEAKER: Not allowed. Whatever is said without my permission will not go on record.
(Interruptions)

अध्यक्ष महोदय : आप क्या चाहते हैं? बैठ जाइए।
(Interruptions)

MR. SPEAKER: He has not mentioned your name.

कायका नाम रिकार्ड में नहीं

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(Interruptions)**

MR. SPEAKER: Nothing has gone on record—nobody's name.

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING AND TRANSPORT (SHRI BUTA SINGH): If you have very kindly allowed his name not to go on record, it is all right. Otherwise..

MR. SPEAKER: I have already done that.

SHRI BUTA SINGH: Thank you.

Linking of States capitals by air with Delhi

*355. PROF. NARAIN CHAND PARASHAR: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government have ensured that all the capitals of the States including Himachal Pradesh would be linked by air with the Union Capital; and

(b) if so, the likely date by which this would be done, including the linking of Simla with Delhi?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI CHANDULAL CHANDRAKAR): (a) and (b). The capitals of all States except those of Himachal Pradesh, Sikkim and Nagaland are already linked by air with Delhi. It is proposed to airlink the capitals of these States as and when Vayudoot services are introduced in these areas.

PROF. NARAIN CHAND PARASHAR: May I know from the hon. Minister whether Simla would be airlinked by introducing Vayudoot service without building the aerodrome? In that case, I would like to know what is the position with regard to the building of aerodrome at Simla,

**Not recorded.

which has also been the summer capital of the Union of India and not only State Capital?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI A. P. SHARMA): In the main answer to the question, it has been clearly said that when the decision is taken for airlinking these places, particularly Simla—the question is about Simla—then we will take the decision to construct an airport at Simla. As a matter of fact, in 1976, on the demand of the H.P. Government, an estimate for Rs. 7.60 crores was prepared for constructing an airport at Simla. But due to paucity of funds, this proposal not having found place both in the fifth plan and sixth plan, it has not been possible to take any steps for constructing an airport at Simla. But as soon as a decision is taken to introduce feeder service i.e., third airline service in this area we will take up construction of an aerodrome at Simla. For the information of my friend I would like to tell him that by the third week of April we are going to operate Indian Airline service upto Kulu.

PROF. NARAIN CHAND PARASHAR: Now that the State Government has again taken up the question of construction of an aerodrome at Simla and the hon. Chief Minister, Shri Ram Lal, has already met the Minister, Shri A. P. Sharma, what is the latest progress in this regards? How soon will we have the aerodrome at Simla especially during the Sixth Five Year Plan?

SHRI A. P. SHARMA: I have already said that it has not been provided in the Sixth Five Year Plan. But even if we think of constructing an airport at Simla it is likely to cost Rs. 14 crores. Due to paucity of funds it is not possible for the Government to take it up at present.

SHRI M. M. LAWRENCE: There is a great rush of traffic from Cochin and Trivandrum. The hon. Minister has promised to start a flight from