

(b) if so, the particulars thereof and Government's reaction thereto?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE):** (a) and (b). No official intimation has been received by the Government in this respect.

**Division of Equity Participation of Foreign Companies**

**\*971. SHRI NAWAL KISHORE SHARMA:** Will the Minister of FINANCE be pleased to state:

(a) how many foreign firms have till now brought down their equity participation to 40 per cent in accordance with the provisions of the Foreign Exchange Regulation Act, 1973;

(b) what steps have been taken to enforce the law in respect of those firms which have not yet fallen in line; and

(c) whether Government will set up a deadline by which the equity of all foreign firms is brought down to 40 per cent?

**THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM):** (a) to (c). In terms of the guidelines on Section 29 of the Foreign Exchange Regulation Act, 1973, a copy of which was laid on the Table of the Lok Sabha, all branches of foreign companies operating in India will be required to convert themselves into Indian Companies with non-resident interest upto 40 per cent and all Companies incorporated in India and having more than 40 per cent non-resident interest will be required to reduce the non-resident interest to 40 per cent in the following cases in which the Indian participation will not be less than 25 per cent of the equity of the Company:—

(i) those engaged in manufacturing activities covered under Appendix I of the Industrial

Licensing Policy of 1973 or which require sophisticated technology; or

(ii) those engaged in predominantly export oriented industries; or

(iii) those engaged in Tea Plantation; or

(iv) Airlines and Shipping companies whose applications will be decided on reciprocity basis.

The information regarding the names of the companies who have been asked by the Reserve Bank of India to bring down the non-resident interest of 40 per cent in accordance with these guidelines is being collected and will be laid on the Table of the Lok Sabha.

The period in which the foreign companies will be required to reduce the non-resident interest generally ranges from one to two years depending on the merits of each case.

The Reserve Bank of India have adequate powers under the Foreign Exchange Regulation Act, 1973 to take appropriate action against the companies which do not comply with the conditions imposed by the Bank relating to reduction of non-resident interest.

**Raids on Tax Evaders**

**\*972. SHRI S. M. BANERJEE:** Will Minister of FINANCE be pleased to state:

(a) what are the latest facts relating to the raids against tax evaders;

(b) the state-wise figures relating to the raids and the results of those raids; and

(c) the steps taken so far to fight the tax evaders?