

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b) As M/s. Sanchaita Investments is a partnership firm having a capital of less than Rs. one lakh, the Reserve Bank of India has no statutory control over the firm and no power to investigate into its activities. No action could, therefore, be taken in the matter by the Reserve Bank. In the meantime, in exercise of the powers vested in the State Government under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978, the State Government initiated action against the firm under the provisions of the aforesaid Banning Act. The firm filed a writ petition in the Calcutta High Court challenging the applicability of the Banning Act to it and the matter thus became *sub-judice*. By its judgment dated 5th March, 1981, the High Court, *inter-alia*, held that the business of the firm does not come within the purview of the Banning Act. State Government of West Bengal went in appeal to the Supreme Court. The Hon'ble Supreme Court has upheld the High Court's ruling by its judgement dated 2-2-82 and made some observations in the case. The implications of the judgement of the Hon'ble Supreme Court are being examined. The relevance of the mention of the Accountant General, West Bengal, in the question is not clear.

Reluctance of the Government to take action against Sanchaita Company

1864. SHRI DIPEN GHOSH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there was a curious reluctance of the Central Government agencies like the Reserve Bank of India and the Accountant General, West Bengal, to take timely actions against the Sanchaita Investment Company and its irregular financial activities, despite specific complaints made by the West Bengal Government; and

(b) if so, what are the details thereof and what are the reasons therefor?

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The implications of the judgement of the Hon'ble Supreme Court are being examined. The relevance of the mention of the Accountant General, West Bengal, in the question is not clear.

Black money generated by Sanchaita Company

1865. SHRI DIPEN GHOSH: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the Chief Justice of India while disposing of the Sanchaita case had remarked in his judgement that Sanchaita Investment, Calcutta, had accrued a vast wealth by generating and circulating black money; and

(b) if so, what steps Government have taken against the said firm and what are the details thereof?