

of Terrorism (CFT) and Obligation of Banks under Prevention of Money Laundering Act, (PMLA), 2002 etc. Further, RBI inspectors have been advised to comment upon the compliance in respect of observance of KYC/AML guidelines by the banks during Annual Financial Inspection of the banks.

In terms of instructions contained in Para 2.20 (b) of the Master Circular, banks are required to make suspicious transaction reports (STRs) to Financial Intelligence Unit (FIU-IND) in case of complex and unusual transactions, which have no apparent economic/visible lawful purpose and are of suspicious nature as defined in PMLA Rules.

Further in terms of Para 2.20 (c) of the above said Master Circular, banks are required to submit every month to the Director, FIU-IND by 15th of the succeeding month, all transactions involving receipts by non-profit organizations of value more than rupees ten lakh or its equivalent in foreign currency.

Implementation of IT Appellate Tribunal decree

2056. SHRIMATI BRINDA KARAT:
SHRI SANJAY RAUT:

Will the Minister of FINANCE be pleased to state:

(a) whether the Income Tax (IT) Appellate Tribunal decreed that the commissions paid in Bofors Gun Deal will require the beneficiaries to pay Income Tax on the Commission;

(b) whether Government has taken any action to implement this decree; and

(c) whether Ministry's approach has any implication on other cases on the same issue?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) In the assessment of Shri Hersh W. Chadha (as a legal heir of Late Shri W.N. Chadha) the assessing officer had made an addition of Rs. 52,60,34,469 for AY 1987-88 and Rs. 85,31,425 for AY 1988-89 (Total Rs. 53,45,65,894) on account of commission. This has been confirmed by the Income Tax Appellate Tribunal *vide* order dated 31.12.2010 in ITA No. 3088 to 3098 and 3107/Del/2005.

(b) and (c) Effect to the appellate order has been given. All related matters on this issue are dealt with in accordance with the applicable law.

IT raids on residences of Bollywood actress

†2057. SHRI JAI PRAKASH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Income Tax Department had raided residences and offices of some actresses of Bollywood in order to find out the income tax evasion;

†Original notice of the question was received in Hindi.

- (b) if so, the details thereof;
- (c) whether Government has completed the investigation of irregularities, tax evasion etc. in these cases; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes, Sir. Income Tax department has conducted search and seizure operations on the residence and office premises of two film actresses recently in January, 2011.

(c) and (d) The Income Tax Department conducts search and seizure action on the basis of credible information in case of various persons like individuals, Hindu Undivided Families (HUFs), Firms, Companies, Association of Persons (AOPs), Body of Individuals (Bols), Local authorities, Artificial Juridical person who are in possession of any money, bullion, jewellery or any other valuable article or thing which represents wholly or partly income or property which has not been or would not be disclosed for the purpose of Direct Tax Laws.

Search and seizure proceedings are followed by quasi judicial post search proceedings which involve detailed examination of the seized material, post-search enquiries and giving proper opportunity to persons searched to explain their income in accordance with the principle of natural justice and equity. The evidences gathered during search and post-search proceedings are used in assessment and re-assessment proceedings of such persons. Such assessments/reassessments become final only when all appeals before CIT(A), IT AT, High Courts or Supreme Court are decided.

The outcome of the search and seizure action can be conclusively established after the above proceedings are finalised.

Loan waiver for the farmers of NE States

2058. SHRI KHEKIHO ZHIMOMI: Will the Minister of FINANCE be pleased to state:

- (a) the details of loan and average loans outstanding against the farmers in the North Eastern (NE) States particularly in Nagaland, during the last three years, State-wise;
- (b) whether Government is aware that the condition of farmers in the North Eastern States is not so good in comparison with other States and they need more attention;
- (c) whether Government has any proposal to waive off the loans of farmers in these North Eastern (NE) States; and
- (d) if so, the details thereof?