

Misuse of stock exchange

71. DR. PRADEEP KUMAR BALMUCHU:

KUMARI SELJA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that several entities are misusing the provisions of the system of stock exchanges to convert their unaccounted income *i.e.* black money into accounted white money;

(b) if so, the details thereof;

(c) whether SEBI is probing into these shell companies helping in tax evasion; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) Securities and Exchange Board of India (SEBI) has informed that they, while conducting preliminary inquiries, have *prima-facie* observed that entities/companies acting in concert with each other have misused the stock exchange system to generate fictitious Long Term Capital Gains Tax (LTCG) which is tax exempt. *Prima-facie* this has been done to evade tax on otherwise taxable income.

(c) and (d) SEBI has carried out preliminary inquiries and has come out with interim directions. The details are as under:

Name of the case	Details of the matter
Moryo Industries Limited.	SEBI passed an ad interim <i>ex-parte</i> order dated 4.12.2014 under Sections 19 read with Section 11(1), 11(4) and 11B of SEBI Act, 1992 against 91 entities including the company, its promoters, directors, preferential allottees and other entities restraining them, pending investigation, from buying, selling or dealing in the securities markets, either directly or indirectly, in any manner, till further directions.
First Financial Services Limited.	SEBI passed an ad interim <i>ex-parte</i> order dated 19.12.2014 under Sections 19 read with Section 11(1), 11(4) and 11B of SEBI Act, 1992 against 152 entities including the company, its promoters, directors, preferential allottees and other entities restraining them, pending investigation, from buying, selling or dealing in the securities markets, either directly or indirectly, in any manner, till further directions.

Name of the case	Details of the matter
Radford Limited.	Global SEBI passed an ad interim <i>ex-parte</i> order dated 19.12.2014 under Sections 19 read with Section 11(1), 11(4) and 11B of SEBI Act, 1992 against 108 entities including the company, its promoters, directors, preferential allottees and other entities restraining them, pending investigation, from buying, selling or dealing in the securities markets, either directly or indirectly, in any manner, till further directions.

With regard to the above companies, SEBI has also informed the concerned departments *i.e.* Enforcement Directorate, Financial Intelligence Unit and Income Tax Department for necessary action at their end.

SEBI has also advised the Stock Exchanges to keep constant and strict vigil on such companies which are involved in such misuse of the Stock Exchange mechanism for tax evasion and take immediate action.

Banking facilities for people residing in far-flung areas

†72. SHRI NARAYAN LAL PANCHARIYA: Will the Minister of FINANCE be pleased to state:

(a) the plan to cover the people residing in the far-flung villages under the Pradhan Mantri Jan-Dhan Yojana (PMJDY);

(b) the manner in which people of unbanked villages in Rajasthan will be covered under this scheme; and

(c) the number of Gram Panchayats in Rajasthan where there is still no bank branch and the status of this scheme there?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) To provide banking facilities to the people under the Pradhan Mantri Jan-Dhan Yojana (PMJDY), entire country has been mapped through Sub Service Areas (SSAs) in rural areas and Wards (in Urban areas). The Sub Service Area is a cluster of villages within a radius of 3-5 Kms and having population of around 1000 to 1500 households. These SSAs have been allotted to various banks and banks have appointed Bank Mitras in these SSAs. These Bank Mitras provide the banking services like opening of account, withdrawal and deposits in account by using Aadhaar payment bridge technology.

†Original notice of the question was received in Hindi.