

excise duty on industrial oils which are used in the manufacture of toilet soaps;

(b) is so, the details thereof; and

(c) the action taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) No, Sir. Majority of the industrial oils are exempted from excise duty. Where excise duty is payable on such oils relief of duty paid will be available to the manufacturer of soap through MODVAT Scheme.

(b) and (c). Do not arise in view of (a) above.

Foreign Exchange Racket

573. SHRI MANIK REDDY:
SHRI M.RAGHUMA REDDY:
SHRI BALASAHEB VIKHE
PATIL:
SHRI SUBHASH YADAV:
SHRI DHARAM PAL SINGH
MALIK:
SHRI PRAKASH CHANDRA:

Will the Minister of FINANCE be pleased to state;

(a) whether a major foreign exchange racket involving compensatory payments to the tune of Rs. 30 crores in violation of the FERA has been recently busted in Bombay;

(b) is so, the details thereof; and

(c) whether any inquiry has been made and if so, the action contemplated against the persons involved in this racket?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI): (a) Yes, Sir.

(b) 20 premises were searched in Bombay on 27th June, 1987 in an operation code-named 'RAHU' organised and supervised by the Central Economic Intelligence Bureau. As a result of the searches, several incriminating docum-

ents evidencing Hawala payments in violation of FERA to the tune of about Rs. 30 crores, Indian currency amounting to Rs. 15,39,100 believed to be proceeds of compensatory payments, and foreign currency worth Rs. 1,100 were seized.

(c) After the conclusion of investigations conducted by the Enforcement Directorate, the adjudication proceedings will be initiated.

Utilisation of Foreign Exchange Earning of Non-Resident Indians

574. SHRI MANIK REDDY:
SHRI M.RAGHUMA REDDY:
SHRI C.MADHAV REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether Governments attention has been drawn to the news report appearing in the "Indian Express" dated 17.6.87 that about Rs. 25,000 crores of foreign exchange earnings of rural and semi-urban non-resident Indians have not been properly utilised in the past 12 years for want of viable investment schemes in the country; and

(b) if so, the reaction of the Government thereto and steps proposed for better utilization of foreign exchange earnings of non-resident Indians?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) Yes, Sir. It is not correct that Government do not have any viable Scheme for NRI Investment in the country. The Investment Facilities for Non-Resident Indians / Persons of Indian Origin liberalised in 1982 are still in operation. These include Schemes both on non-repatriation and repatriation basis. NRIs can invest in any proprietorship, partnership and joint stock company, except those dealing in real estate business, on non-repatriation basis. Under the repatriation Scheme, investment can be made in any industrial / manufacturing activities, deposits in Indian companies, deposits in Non-Resident (External) Rupee Accounts, Foreign Currency Non-Resident Accounts,