

**Violation of Customs and Excise
Laws by Bombay Based Industrial
House**

2020. SHRI VISWANATH SHASTRI: Will the Minister of FINANCE be pleased to state:

(a) whether a Bombay based large Industrial House was recently found to have been indulged in illegal export and violation of Central Excise and Customs Laws;

(b) if so, the details thereof; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). A case has come to the notice of the Government where a Bombay based Industrial House manufacturing, inter alia, Partially Oriented Yarn (POY) is alleged to have been indulging in illegal export and violations of Central Excise and Customs Laws. Investigations done so far have revealed that POY used to be removed for export in containers sealed by the Central Excise officers at the factory premises of the concerned Industrial House. These containers, instead of being taken to the port for export, were being taken to a private warehouse where duty free POY was removed and substituted with Masoor Dal, an item prohibited for export. The duty free POY was diverted to the domestic market.

Two such containers stuffed with POY (Quantity 38543 kgs valued at Rs.16,18,800) under the supervision of the Central Excise officers and removed for export after sealing, were on examina-

tion at Nhava Sheva Port by Customs authorities, found to contain Masoor Dal. Investigations conducted revealed that 11 such containers containing POY valued at Rs.1,04,23,476/- had been removed for export by the said Industrial House in the past but substituted and diverted the same for domestic market.

(c) On the basis of investigations conducted so far, twelve persons, including two executives of the concerned Industrial House, have been arrested. Two Show Cause Notices, one for the POY removed duty free in the two seized containers and the other for the POY cleared duty free in the past, demanding Central Excise duty of Rs.26,59,467/ and Rs.1,42,14,486/- respectively have been issued on 24.2.94 and 22.7.94 to the Industrial House. Show Cause Notices have also been issued to 28 other persons, including some employees of the Industrial House, proposing planal action against them for conniving in the fraudulent evasion of Central Excise duty. Investigations are at an advance stage for issue of Show Cause Notices for violations of Customs Laws.

Credit Policy of R.B.I.

2021. SHRI D. VENKATESWARA RAO:
SHRI BOLLA BULLI RAMAIAH:

Will the Minister of FINANCE be pleased to state:

(a) whether the new credit policy of the Reserve Bank of India has been hailed by various chambers of commerce and industry in the country;

(b) whether the Confederation of In-

dian Industry has also expressed concern that the Policy reflected excessive concern on inflation management but little concern on economic and industrial growth;

(c) if so, the reaction of the Government thereto;

(d) the extent to which the above policy is likely to bring the rate of inflation down; and

(e) the extent to which the credit policy is likely to improve the economic and industrial growth rate in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir, it has been welcomed by several chambers of Commerce & Industry.

(b) Yes, Sir, CII has expressed the view that greater emphasis be placed on industrial growth.

(c) The credit policy for the first half of 1994-95 seeks to ensure that adequate credit support is provided by the banking system for the revival of output in all sectors of the economy. The statutory liquidity ratio is being reduced by one percentage point releasing resources for credit to commercial sector. Banks have also been given greater flexibility to hold shares or debentures. Besides, companies with good track record have been raising considerable amount of resources internally through issue of shares, debentures and commercial paper and externally through global depository receipts and foreign currency convertible bonds.

As such they need not depend on the commercial bank credit as much as they used to do in the past.

(d) Government has placed inflation control on top of its agenda and a number of measures to manage aggregate demand and supply have already been put into effect. Some stability in prices is already visible and further moderation is quite likely by end of September.

(e) Various reform measures initiated by the Government in the last three years in the areas of fiscal, financial, trade and industrial policies are all designed to encourage enterprise, competition and efficiency in the economy and bring about an improvement in economic and industrial growth rate.

RPF Offices

2022. SHRI N.J. RATHVA: Will the Minister of LABOUR be pleased to state:

(a) the number of offices of sub-regional Employees Provident Fund including the Regional Provident Fund Offices in Gujarat as on June, 1994;

(b) whether the Government propose to set up some more offices of Employees Provident Fund in Gujarat; and

(c) if so, the places identified therefor?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) 4

(b) No, Sir.

(c) Does not arise.