

products of sandalwood is freely allowed under the Export and Import Policy with the exception of sandalwood oil which is permitted against export licences. Exporters of these commodities can get the benefit of market development assistance and participate in buyer seller meets, trade fairs and exhibitions through the respective Export Promotion Councils.

#### **CBI Raids on the premises of STC Officials**

6652. SHRI PRAMOD MAHAJAN : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government's attention has been drawn to the news-item appeared in the Hindustan Times, New Delhi dated March 28, 1997 under captioned "CBI raids premises of STC officials";

(b) if so, whether STC had been asked to pay damages to certain companies for the losses incurred by them;

(c) if so, the details thereof;

(d) the extent of loss caused to the exchequer; and

(e) the action taken against the officials of STC and other Departments involved in the scandal ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (e) The Government have noted the news item which appeared in the Hindustan Times, New Delhi of 28th March, 1997 captioned "CBI raids premises of STC officials".

The news-item relates to the case of M/s. Andre & Cie, S.A., Lausanne against STC claiming damages of US \$ 3,92,000 plus interest, cost and expenses before the Refined Sugar Association of London for the reported breach of contract in a sugar deal. STC deputed its Director (Law) and General Manager (Law) to attend the Court proceedings at London in Dec. 1996 and appear before the court as witnesses if so advised by the counsel. One Chief Marketing Manager and One Marketing Manager of STC, the two main witnesses of the corpn. were listed as accused persons in a criminal case registered by CBI on 5th Jan. 1996 and are under suspension w.e.f. 10.1.1996. In view of the criminal case, there were difficulties in obtaining valid travel documents and credibility of such witnesses was highly doubtful. Written witness statements of these two witnesses and others were produced before the Court in addition to documents of the Corpn. The Court, however, ruled against STC. CBI after verification of the deal sought Government's concurrence for registration of

a regular criminal case against STC officials. (Necessary approval for registration of a regular case against Director (Finance) STC has been accorded on 11.3.1997 and he is also placed under suspension.

Subsequent to the judgement of the Commercial Court at London, M/s. Andre & Cie raised its claim to US \$ 7,04,612.70, which STC is contesting with Refined Sugar Association of London (RSA). STC has also incurred an expenditure amounting to pound sterling 1,08,321.07 towards the costs and expenses of litigation including costs paid by it to the other party after the Court's judgement went against the Corporation. In addition, STC has also paid an amount of Rs. 10,725 (in Indian Rupees) to its counsel.

#### **Setting Up a Committee on Customs and Excise Issues**

6653. SHRI SULTAN SALAHUDDIN OWAISI : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government had constituted any Committee to examine the customs and excise issues concerning cent per cent export oriented units/export promotion zones;

(b) if so, whether the Committee has submitted its report;

(c) if so, the details of main recommendations made by the Committee;

(d) whether the Government have implemented any recommendations of the Committee; and

(e) if so, the details thereof and time by which other suggestions made by the Committee are likely to be implemented ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b) Yes, Sir.

(c) to (e) The main recommendations of the Committee which include simplification of wastage norms for jewellery, sale of finished products which are freely importable in the Domestic Tariff Area, domestic sale of gold jewellery against Special Import Licence, facility to re-export/supply of dead-stock or broken stones/rough diamonds, domestic sale facility for software through data communication link, simplification of sub-contracting procedure, enhanced depreciation for computer-hardware and wider delegation of powers to development Commissioners have been