

12.05 hrs.

Title: Regarding raids on customs officials.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): First, raids on premises of officers in connection with smuggling by Uzbek Nationals through the Indira Gandhi International Airport, New Delhi.

On 28.08.2000, an Uzbek woman was intercepted at IGI Airport, New Delhi, while attempting to clear Chinese Silk without declaring them to the Customs Authorities. This lady had made 54 trips to India during the period July 1999 to August 2000. The Goods were seized under the Customs Act and the passenger was arrested and remanded to custody by the Additional Chief Metropolitan Magistrate. Her bail application was rejected by the Additional Chief Metropolitan Magistrate on 14th September, 2000, against which she filed an appeal before the Additional Sessions Judge. The Additional Sessions Judge, while allowing the appeal and granting bail, observed that there was a link with the Customs Officials and that the CBI should investigate the role of the Customs Officials. The Commissioner of Customs preferred an appeal against the orders of the Additional Sessions Judge to the Delhi High Court, challenging grant of bail. In the meanwhile, she was detained under COFEPOSA Act and the matter was investigated in detail by the Director General of Revenue Intelligence and Director General (Vigilance) of the Central Board of Excise and Customs. On the basis of the findings, 33 officers were suspended during February 2001, which included six Group 'A' officers. It was also decided to refer the matter to the CBI. The Department informed the High Court of this decision, when the matter came up for hearing in February, 2001 and referred the matter to CBI for investigation on 16th February, 2001. The CBI have registered a case against 48 officers and four private persons on 30.03.2001, and conducted searches on the premises of these officers on 31.03.2001. During raids, some cash, investments and property documents were recovered. None of the officers has been arrested by the CBI so far. The matter is under investigation by the CBI.

Second, raids on premises of former Chairman, Central Board of Excise and Customs.

The Central Bureau of Investigation registered a case against Shri B.P. Verma, former Chairman of the Central Board of Excise and Customs, on 30.03.2001 on the basis of source information on the allegation that, during the period from November, 2000 to March, 2001, Shri B.P. Verma abused his official position and showed favour to M/s. A.K. Enterprises, Chennai in the matter of export of rags, declared as garments by the above mentioned firm, that he influenced his subordinate offices to enable the firm to draw false duty drawbacks, and that for this purpose, he obtained gratifications/considerations through his son. Consequent on the registration of the case, searches were conducted at the official as well as residential premises of Shri Verma on 31.03.2001. CBI has reported that during the course of searches, several incriminating documents were seized. The scrutiny of these documents has revealed that Shri Verma is in possession of assets in his own name, in the name of his family members, as well as *benami*, which are *prima facie* disproportionate to his known sources of income. Accordingly, another case for possessing assets disproportionate to his known sources of income was also registered against him on 4.4.2001. Shri Verma was arrested by the CBI on 1st April, 2001 and remanded to custody. He was placed under suspension with effect from the date of his arrest.

...(Interruptions)

MR. SPEAKER: Now, the House will take up 'Zero Hour'.

...(Interruptions)

SHRI S. JAIPAL REDDY (MIRYALGUDA): How was Shri Verma in the first place appointed Chairman? The Central Vigilance Commissioner, Shri Vittal, opposed it, and the Finance Minister was responsible for the appointment of the Chairperson.

SHRI MADHAVRAO SCINDIA (GUNA): Mr. Speaker, Sir, I would like to make a submission. Can I have the attention of the Finance Minister? ...(Interruptions)

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF INFORMATION TECHNOLOGY (SHRI PRAMOD MAHAJAN): Every time, you are making it as a practice. Let us not create new precedents.

MR. SPEAKER: Shri Madhavrao Scindia, there is a well-established rule in the House.

SHRI MADHAVRAO SCINDIA : Mr. Speaker, Sir, I just want to say that the subject matter of the Statement is a very serious one. A number of questions arise from it.

Sir, at some stage we would like to have a much wider discussion on this particular matter...(Interruptions) Sir, with your permission, at some stage, we would like to have a wider discussion ...(Interruptions)

MR. SPEAKER: Shri Yashwant Sinha, his suggestion is that since it is a very important matter, would the Minister agree for a discussion on this matter?

...(Interruptions)

SHRI MADHAVRAO SCINDIA : Mr. Speaker, Sir, I was trying to draw the attention of the hon. Finance Minister...(Interruptions) Mr. Finance Minister, all I am saying is that the subject matter of your statement is a very serious matter and a number of questions arise from it. I was seeking the permission of the hon. Speaker if at some stage we could have a much wider discussion on this matter so that we could go into the matter in greater detail...(Interruptions)

श्री राजेश रंजन उर्फ पप्पू यादव (पूर्णाया) : माननीय अध्यक्ष महोदय, बिहार में मंत्री को जान से मारने की धमकी दी गई है। मंत्री के घर में घुसकर जान से मारने की धमकी दी गई है। (व्यवधान)

अध्यक्ष महोदय : आपको बुलाएंगे। एक मिनट आप बैठ जाइये।

SHRI S. JAIPAL REDDY : Sir, I would like to supplement the comments of my colleague Shri Madhavrao Scindia...(Interruptions)

MR. SPEAKER: No, please.

...(Interruptions)

SHRI S. JAIPAL REDDY : I would like to know from the hon. Minister about the manner in which Shri B.P.Verma was appointed the Chairman in utter contravention of the recommendations of the Central Vigilance Commissioner...(Interruptions)

MR. SPEAKER: Shri Reddy, the Finance Minister is going to respond.

...(Interruptions)

SHRI S. JAIPAL REDDY : Sir, how did the Finance Minister recommend ...(Interruptions)

MR. SPEAKER: No clarifications please.

...(Interruptions)

SHRI S. JAIPAL REDDY : Sir, we would like to know the facts...(Interruptions)

MR. SPEAKER: Mr. Finance Minister, Shri Madhavrao Scindia is asking for a discussion on this subject at any time.

...(Interruptions)

SHRI YASHWANT SINHA: Sir, I am entirely in your hands as far as a discussion on this issue is concerned...(Interruptions) I will have absolutely no objection if the House were to decide, under your guidance, to take up the matter for a discussion...(Interruptions)