

12.06 hrs.

**COMMITTEE ON PAPERS  
LAID ON THE TABLE**

**MINUTES**

**DR. RAJENDRA KUMARI BAJPAI** (Sitapur) : I beg to lay on the Table Minutes ( Hindi and English versions) of the sittings of the Committee on Papers laid on the Table relating to their Fourth Report.

**COMMITTEE ON PAPERS  
LAID ON THE TABLE**

**FOURTH REPORT**

**DR. RAJENDRA KUMARI BAJPAI** (Sitapur) : I beg to lay on the Table the Fourth Report (Hindi and English versions) of the Committee on Papers Laid on the Table.

intelligence developed and worked out by the Directorate of Enforcement, Shri Santosh Kumar Jain son of a known racketeer and an EX-COFEPOSA detenu Shri Manak Chand Jain, was apprehended on the 23rd February, 1981 by the Officers of the Directorate and foreign currencies equivalent to approximately Rs. 47,000/- were seized from his person. As a follow up, a number of premises in Delhi were searched resulting in further seizures of foreign currencies equivalent to approximately Rs. 16,000/- Indian currency of Rs. 1.47 lakhs and incriminating documents. Besides, contraband goods consisting of electrical watches, cameras, etc., were found in one of the premises and seized by the Customs Officers. Five persons, namely, Shri Santosh Kumar Jain, his brother Shri Suresh Kumar Jain, their father Shri Manak Chand Jain, Shri Ram Niwas Sharma and Shri Ashok Narain were arrested., Shri Manak Chand Jain was released on bail on medical grounds but the others have been remanded to judicial custody till the 11th March, 1981.

12.07 hrs.

**CALLING ATTENTION  
TO MATTER OF URGENT  
PUBLIC IMPORTANCE**

**FOREIGN EXCHANGE RACKET**

**SHRI RAM SINGH YADAV** (Alwar) : I call the Attention of the Minister of Finance to the following matter of urgent public importance and request that he may make a statement thereon :

"The reported operation of a rupees one crores foreign exchange racket from Delhi with contacts in Hong Kong and U.S.A. and the action taken by the Government in the matter."

**THE MINISTER OF FINANCE**  
(**SHRI R. VENKATARAMAN**) :  
Mr. Speaker, Sir. On the basis of

The documents recovered included accounts of purchase and sale of foreign exchange by this group to the tune of Rs. One crore. The documents further show dealings in contraband goods by this group. Two of the members of this group are maintaining accounts with banks in Hongkong. The documents seized also indicate transfer of funds from Hongkong to U.S.A.

Further investigations are in progress.

**SHRI RAM SINGH YADAV** :  
The reply given by the hon. Minister is lacking in details which have appeared in the newspapers regarding this racket. It has been revealed by the information given in several newspapers that the kingpin of this racket was operating in this business for the last three years and he was even detained for 19

months under the COFEPOSA at the time of Emergency. (*Interruptions*) It has been alleged that not only Mr. Manak Chand Jain whose name has been given by the hon. Minister, but his two sons and two employees of Indian origin were working in some foreign airline. They are also involved in this racket and one of them is absconding. The important point is that not only they are dealing in purchasing and selling of foreign currency racket but also in smuggling of foreign goods, electronic watches and other sophisticated cameras and other luxury-items and those items sold in India. Not only this, bank accounts were maintained regularly by these racketeers and the money which was there in the banks of Hongkong was transferred to U.S.A. I wish to know from the hon. Minister what measures he is going to take under the Foreign Exchange Regulation Act and COFEPOSA to ensure that such cases are curbed in future and are not repeated and such anti-national and anti-social activities are not carried on in such a fashion. Therefore, I want the hon. Minister to make provisions to take strict measures to curb these activities and I want a reply from the hon. Minister on this.

**SHRI R. VENKATARAMAN :** The hon. Member has given a little more details about the activities then I have done in my statement, from various Press reports. What I stated in the House is that we are investigating and as soon as the investigations are over, we will be able to give further details. As at present, we have found that a number of persons have been involved in the racket and we have arrested all of them. Only one person Shri M. C. Jain has been granted bail for reasons of Health. All the other persons have been remanded to custody.

The hon. Member wanted to know as to what action we propose to take. Actually Manak Chand Jain was a detenu under COFEPOSA. We detained him and he was in detention for about two years. It was only later that he was released. If the investigation warrants, we will not fail to take appropriate action against others also.

(*Interruptions*)\*\*

MR. SPEAKER : Not allowed.

**श्री राजेश कुमार सिंह (फिरोजाबाद) :** मान्यवर, माननीय मंत्री जी ने जो अपने उत्तर में बताया उसी के संदर्भ में मैं कहना चाहता हूँ कि इस तरह की घटनाएँ होती रहती हैं और उनकी रिपोर्टों में भी आती रहती हैं। अभी भी एक रिपोर्ट आयी—

“A search on his person led to the recovery of 4480 US dollars, 190 pounds sterling, 115 Canadian dollars, 35 Kuwait dinar, 1000 Saudi rials, 60 Singapore dollars and 930 dirham.”

मेरे कहने का मतलब, मान्यवर, यह है कि एक बहुत बड़ा गैंग है जो इतने देशों से संबंध स्थापित किये हुए हैं। इस तरह के प्रश्न यहाँ पहले भी आये हैं। मैं उनमें से एक उदाहरण दे रहा हूँ —

“During the three years from 1976 to 1978, 16504 cases were instituted by the Enforcement Directorate by issuing show cause notices to the parties concerned.

During the same period, 18286 cases were adjudicated by officers of the Enforcement Directorate including cases where show cause notices were issued in earlier years, resulting in confiscation of

[श्री राजेश कुमार सिंह]  
foreign exchange of the value of Rs. 37.15 lakhs, Indian currency 129.98 lakhs and levy of penalties aggregating to Rs. 746.86 lakhs.”

इस तरह से मान्यवर, आप देखते हैं कि इतना बड़ा रैकेट यह चलता रहता है और रोज ही सरकार के अधिकारी किसी को पकड़ लेते हैं और यह बात आ जाती है कि हमने एक रैकेट करने वाले गिरोह को पकड़ लिया। पिछली बार बम्बई में एक गिरोह पकड़ा गया था। इस संबंध में मैं मंत्री महोदय से यह पूछना चाहता हूँ कि क्या यहाँ के कोई राजनयिक हिरासत में थे जिनके बारे में दैनिक पत्र में भी आया था और यहाँ जो प्रश्न आया था उस से भी स्पष्ट होता है ? क्या डी० नारायण भी इसमें सम्मिलित थे जिनके बारे में उनके जड़के ने अदालत में भी कहा था कि उसके पिता विदेश सेवा में थे। क्या सरकार के जानकारी में यह है और है तो वे डिप्लोमेट कौन साहब हैं और उनसे अशोक नारायण का क्या संबंध है ? क्या इस आदमी के पास जो कि फारन एक्सचेंज के गिरोह में था और जो पकड़ा गया, डिप्लोमेटिक पासपोर्ट है ? क्या यह किसी इंटरनेशनल एयरलाइंस में अधिकारी है ? यह सब आप ने साफ नहीं किया।

दूसरे मैं आप से यह जानना चाहता हूँ कि जो डाकुमेंट्स पकड़े गये हैं, क्या उन डाकुमेंट्स में यहाँ की फर्मों के नाम हैं या नहीं जो कि इस तरह का फारन एक्सचेंज का, अवैध धंधा करती हैं ? क्या यह भी सही है कि ये डाकुमेंट्स जो कि फेक बनाये गये थे वे इंडिया में ही प्रिंट हुए थे और उनके द्वारा अमेरिका, हांगकांग और कई अन्य देशों से फारन एक्सचेंज का अवैध धंधा चला करता था ? क्या ऐसी कोई जानकारी आप को मिली है, यदि मिली है तो वह क्या है ?

यह जो गैंग कार्य कर रहा है, जो कि रिजर्व बैंक को भी डार्क में रखे हुए हैं और जिसकी वजह से आप का इम्पोर्ट और एक्सपोर्ट में साढ़े सात हजार करोड़ रुपये का घाटा हुआ है, इसके बारे में आप क्या कदम लेने जा रहे हैं और अब तक क्या कदम लिये हैं ?

**SHRI R. VENKATARAMAN :** It is unfortunately true that in this racket one person name Ashok Narayan is involved. Our investigation has revealed that he is the son of our former diplomat. We are investigating into this matter. We have taken very serious notice of it. We will do every thing possible to see that the entire remification of this transaction is fully investigated and those responsible are given the highest punishment that the law can give. I do not want to say more since it will hamper investigation.

**श्री राजेश कुमार सिंह :** आपको कितने डाकुमेंट्स मिले हैं ? क्या उनमें फर्मों के नाम हैं या नहीं ? अगर है तो उनके खिलाफ आप कोई कार्यवाही कर रहे हैं ? यह एक करोड़ रुपये की रेकेटियरिंग का मामला है।

**SHRI R. VENKATARAMAN :** I will mention that. He was employed in the British Airways.

**DR. SUBRAMANIAM SWAMY (Bombay North East):** Did you say former diplomat ?

**SHRI R. VENKATARAMAN :** He has retired. He was not a high level diplomat.

**MR. SPEAKER :** He has clarified that.

**श्री रामाबतार शास्त्री (पटना) :** अध्यक्ष जी, विदेशी मुद्रा हमारे देश के आर्थिक विकास के लिए कितनी महत्वपूर्ण भूमिका अदा करती है यह हम सब को मालूम है। इस तरह

के रेकेट और ये घटनाएं जिनकी चर्चा आज हम यहां पर कर रहे हैं, कोई नहीं हैं। इस तरह की घटनाएं होती रहती हैं। जयपुर के ज्वैलर श्री विमल चन्द्र गोलवा के पास 10 लाख पकड़े गए थे, यह अखबारों में छपा था। इन्होंने इस तरह की विदेशी मुद्रा स्विस बैंक में जमा की हुई थी। इसी तरह से एक और खबर अखबार में छपी थी, पता नहीं उम और सरकार का ध्यान गया या नहीं, एयर इंडिया बंबई के रनोई घर में 12 लाख रुपए की विदेशी मुद्रा पाई गई थी। तो इस तरह के तीन उदाहरण तो आपके सामने हमने अभी दिए हैं और अनेकों उदाहरण भरे पड़े हैं। इस तरह की घटनाएं यहां हो रही हैं जब कि विदेशी मुद्रा की स्थिति हमारे देश में संकट-ग्रस्त है। विदेशी मुद्रा की भारी कमी है। अभी वित्त मंत्री जी ने कहा है कि 1300 करोड़ की विदेशी मुद्रा कम होने की आशंका है। जो विदेशी मुद्रा निर्यातों से अर्जित की गई है उस 6000 करोड़ रुपए में से उन पेट्रोलियम पदार्थों पर खर्च करनी पड़ती है जो हम बाहर से मंगते हैं। इस तरह से तीन-चौथाई राशि समाप्त हो जाती है। ऐसी स्थिति में ये जो रेकेटियर हैं ये विदेशी मुद्रा का और अधिक संकट पैदा करना चाहते हैं और उनके बारे में सरकार बहुत लिबरल तरीके से कार्यवाही करती है। इसके लिए बहुत सख्त कार्यवाही की जरूरत है। आपने 19 महीने तक जेल में रखने के बाद जमानत पर छोड़ दिया। इसका क्या औचित्य है? क्या उनका इलाज जेल में नहीं हो सकता था? हम लोग जब जेल में सख्त बीमार होते हैं तो बाहर आना इतना आसान नहीं होता, राजनीतिक कार्यकर्ताओं के साथ यह व्यवहार होता है।

**अध्यक्ष महोदय :** उनको पकड़कर लाया जाता है, हम अपनी मर्जी से जाते हैं।

**श्री रामावतार शास्त्री :** ऐसे लोगों का आप शाही स्वागत कर रहे हैं। इस बात का क्या जस्टिफिकेशन है कि उनको जमानत पर

रिहा कर दिया गया है जबकि उनका इलाज जेल में कर सकते थे।

दूसरा सवाल मेरा यह है कि आपने यह जो बेयरर बांड के संबंध में कानून पेश किया है, पहले अध्यादेश निकाला और अभी विधेयक पेश किया है जो अधिनियम बनने वाला है, तो कहीं ये रेकेटियर उसका गलत फायदा तो नहीं उठाएंगे। इस तरह के जो गिरोह हैं उन गिरोहों में काम करने वाले लोग, जिनके पास इस तरह की अर्जित की हुई विदेशी मुद्रा है उस मुद्रा को भी आप क्या बेयरर बांड में तब्दील कर देंगे? अगर ऐसा होगा तो उनका पैसा जो गलत तरीके से कमाया हुआ है वह सफेद हो जाएगा और ये फिर उसे उद्योग-धंधों में लगाकर उससे काफी मुनाफा कमा लेंगे। तो इस तरह की आशंका मुझे है कि इस बेयरर बांड कानून से उनको मदद मिलेगी और उनका काला धन सफेद धन में बदल जाएगा। अंडर इन्वार्सिंग, ओवर इन्वार्सिंग के जरिए...।

**अध्यक्ष महोदय :** पंडित जी, यह सब तो अभी आगे आ जाएगा।

**श्री रामावतार शास्त्री :** मैं यह ताबित करने की कोशिश कर रहा हूँ कि बेअरर बांड्स की जो स्कीम निकाली गई है—

**अध्यक्ष महोदय :** वह आ रहा है और तब आप उस पर बोल लें।

**श्री रामावतार शास्त्री :** इसलि मैं इस सवाल को उठा रहा हूँ कि अगर इस तरह की बात का अदेश हो तो इसको आप रोकें। अगर इस तरह के रेकेटियर नहीं हैं तो इसके बारे में भी मैं सरकार के विचार जानना चाहूंगा।

रेकेट करने वाले लोगों के गिरोह बहुत हैं। जब से आपने शासन संभाला है ऐसे कितने लोगों के खिलाफ आपने कार्रवाई की है? आपने ट्रेड यूनियन वालों को पकड़ने के लिए तो नेशनल सिक्योरिटी एक्ट बना दिया है

[श्री रामावतार शास्त्री]

लेकिन क्या ऐसे लोगों को भी इस एक्ट के तहत गिरफ्तार किया गया है और अनार किया गया है तो उनकी तादाद कितनी है ? क्या इसका भी थोड़ा सा ब्योरा आप हमें दे सकें ?

**SHRI R. VENKATARAMAN :** Mr. Speaker Sir, I am happy to get the support from the hon. Member in the concern for foreign exchange which I have, so that in the steps that I propose to take for conservation of foreign exchange I will have the fullest support from Mr. Ramavatar Shastri.

So far as the question, what steps the Government have taken, is concerned, I would like to give some figures. In the year 1980 we have registered 5,270 cases under the Foreign Exchange Regulations Act.

**AN HON. MEMBER :** How much money you have got ?

**SHRI R. VENKATARAMAN :** So far as the total amount involved in the offences is concerned, it is Rs. 55,27,56,980. We have also filed 110 cases in the courts during the year 1980. I am happy to inform the House that we have secured convictions in 81 cases and the number of persons we have arrested under FERA is 59. Therefore, on these figures Shastriji would at least ....

**SHRI RAMAVATAR SHASTRI :** How many ?

**SHRI R. VENKATARAMAN :** I have no figures about the arrests under National Security Act because this deals with COFEPOSA and other things.

**SHRI JYOTIRMOY BOSU (Diamond Harbour) :** Economic offenders must not be touched under this.

**SHRI R. VENKATARAMAN :** Therefore, the charge is totally unsustainable. The third point which Mr. Shastri made is : why are you so liberal and kind hearted towards one of these racketeers and why was he given bail ? It is not in our hands. He was granted bail on medical ground

by the Sessions Judge. (*Interruptions*) Therefore, the point is that it is not a matter of complaint against the Government.

**SHRI SUNIL MAITRA (Calcutta North East) :** Did the Government oppose the bail ?

**SHRI R. VENKATARAMAN :** I do not have any information here now. But I presume we never allow any bail to be granted. That is the attitude of Government in every case.

(*Interruptions*)

**SHRI RAMAVATAR SHASTRI :** There may be some.

**SHRI R. VENKATARAMAN :** Except there, we do not think that it is necessary in all cases, and particularly in cases of this kind I do not think we generally agree to the bail being granted. But this has been done on the medical grounds and therefore, we have no say in the matter.

I am happy to inform Shastri Ji and Mr. Sunil Maitra that the bail was opposed. The position, therefore, is that the matter is under investigation, very effective steps have been taken and I am sure the House would agree with me in at least passing a word of compliment to the Department which has acted so promptly in busting this particular racket. If they do not get the necessary strength from Parliament, they will not be able to perform a rather onerous and difficult task in these circumstances.

**SHRI JYOTIRMOY BOSU :** What has come out, I am not going to cast any aspersion. Well, they have detected something. But it is only a tip of an ice berg. Small fries have been caught. They are being exhibited and they are trying to convince people that they are doing a grand job. It is not so.

It could be perhaps to-day estimated that the illegal outflow of foreign exchange from this country

to-day comes to about Rs. 2000 crores a year. Ten years ago Madan Gopal Kaul Committee which took evidence from those who were themselves doing this thing—Bengal Chambers of Commerce executives etc. put the figures at Rs. 240 crores.

I can assure you almost without exception, that all purchases of foreign assets done by Indians collaborations, export import business have a big amount of invoice manipulation fictitious figures while buying, fictitious figures while selling. The Enforcement Directorate has been kept as a very small ineffective unit, that we realise. Mr. Subramaniam Swamy, my former colleague in the Committee on Public Undertakings will bear me. The officials bitterly complained that they do not get sufficient people. They are not allowed to grow. They are not allowed to expand. It is totally unequal to the task. I am very sorry to say it is ineffective.

I will quote from the sixteenth Report of the Committee on Public Undertakings which was laid on the Table of the House. On page 36 it says :

“As the law Commission observed in its 47th Report on Trial and Punishment on Social and Economic Offences : ‘These offences affecting as they do the health and wealth of the entire community require to be put down with a heavy hand at a time when the country has embarked upon a gigantic process of social and economic planning’?”

Then it says —

“Unfortunately, the examination of a number of cases dealing with jute offences as detailed in the preceding Chapters have given an impression to the Committee that the departments armed with new powers have not only not used the

powers given to them in a proper and effective manner but on the contrary acted in collusion with the result that the economic offenders, particularly, in the jute trade and industry have been acting with impunity to the detriment of the State whatever be the legal provisions enacted to deal with them. It would suffice in this context to refer to the facts of one case *viz.*, J. K. Udyog Limited.”

Bharat Hari Singhania was their Headman who was caught for under invoicing of Rs. 49,03,500/-. This was one under-invoicing.

“There are clear materials of evidence to indicate collusion between certain high officers of the Directorate of Enforcement including the Director and certain persons connected with the J.K. Udyog Limited who were involved in a very serious violation of Foreign Exchange Regulations Act. A twist in the whole case was given by Shri S.B. Jain, Director of Enforcement in June, 1976 asking for a complete reappraisal of the issues in the case and the turn of events that took shapes thereafter.”

Mr. Subramaniam 'Swamy, because he overstayed abroad, he was prosecuted and here is the recommendation.

I would like to ask the hon. Minister as to what steps have been taken on this. The case should be re-opened and prosecution should be launched against Bharat Hari Singhania, Rameshwar Agarwal, N.P. Puria, R.L. Rastogi, J.K. Udyog and Ganges Manufacturing Co., without any delay.

The Central Bureau of Investigation and Central Vigilance Commission should be asked to launch prosecution against Sarvashri S. B. Jain the then Director

**Shri Jyotirmoy Basu**  
(Enforcement). T.N. Kaul and A.N. Banerjee for having entered into criminal conspiracy of committing offences punishable under Section 218 of the Indian Penal Code.

The Central Bureau of Investigation and the Central Vigilance Commission should be asked to initiate action against Shri S.B. Jain for purpose of prosecution under 218 IPC for saving Bharat Hari Singhania from legal punishment. His finding that Bharat Hari Singhania had ceased to be a Director *v.e.f.* 11-2-1971 and not liable for contravention of any offence under the Foreign Exchange Regulation Act is clearly perverse.

We have made clear indications. If you come to Appendix I, page 40, you will see a galaxy of real bandicoots the people who are looting the country.

You kindly see Appendix I, p. 40, giving details and the present position of cases of violation of foreign Exchange Regulation Act by persons in the Jute trade detected during the period from 1-10-67 to 30-9-77.

Serial No. 1—M/s. New Central Jute Mills; it is a Shanti Prasad Jain and Sahu Jain group.

You now come to big *magar muchh* ones. Serial No. 4—M/s. Bird & Co. Ltd., at that time headed by Shri Pran Prasad, the biggest economic offender in this country. How many times has he been caught and what action has been taken? How is it that he moves about freely?

Serial No. 5—M/s. Fort Gloster Industries, Calcutta, Bangur group, one of the richest jute tycoons in the world and the richest man in the country. What action has been taken?

Serial No. 6—M/s. General Industrial Society Ltd., Shri G.D. Kothari, the nephew of Birlas. He

cannot be touched. You are only fiddling about with Rs. 60,000 or Rs. 1 lakh.

Serial No. 8—M/s. Girdhari Lal Mahaeswari.

Serial No. 9—The Fortwilliam Co., Ltd., again Bangur group.

Serial No. 10—Singhania Enterprises, Calcutta.

Serial No. 11—M/s. Birla Jute Manufacturing Co. Ltd.

Serial No. 12—M/s. Victoria Jute Co. Ltd., Sir John D.K. Brown, twice made the Chairman of the Associated Chambers of Commerce, the Bengal Chambers of Commerce. He was also a member of the Advisory Committee of the Central Board of Excise and Customs and member of the State Bank of India and the Reserve Bank of India local advisory committees. An economic criminal is made to sit in judgment on himself. That is the class character.

Serial No. 13—M/s. India Jute Co.

Serial No. 14—M/s. Delta Jute Mills Co. Ltd., Poddar and Kanovia group.

Serial No. 15—M/s. Cheviot Mills Co. Ltd., again Poddar and Kanoria group.

Serial No. 19—M/s. Dalhousie Jute Co. Ltd., again Mr. Pran Prasad is there.

Serial No. 20—M/s. Alexander Jute Mills Ltd., Mr. C. Hockley.

Serial No. 21—M/s. North Brook Jute Mills, again and again Mr. Pran Prasad. I am asking a pointed question: What has he done to catch him, punish him and put him behind the bar, who has looted the country? We have now nationalised the Bird & Co. when all

the juice has been taken out. He is happy with the jacket.

Serial No. 26—M/s. Budge Budge Jute Mills, again, Shanti Prasad Jain group.

Serial No. 28—M/s. Caledonian Jute Mills Co.

Serial No. 30—M/s. Hastings Mills Ltd.

Serial No. 32—M/s. Louis Dreyfus & Co. Ltd., an International racketeer of the world, Sh. Jeen Louis. How many times has he been caught and detected? Never you can put them behind the bar.

Serial No. 34—M/s. Titagarh Jute Factory Co. Ltd., again Sir John D.K. Brown.

Serial No. 38—M/s. Juggilal Kamalapat Udyog Ltd. You see the amount; it is Rs. 49,38,500. Mr. Venkataraman, you can fool people one day; you can fool people two days but you cannot fool them every day. I would like to ask him what happened to the famous Bird case where an underinvoicing of hessian for draining our money by Mr. Pran Prasad to Benthall group amounted to Rs. 175 crores, by an officer for whom, the Collector of Customs has been transferred, dismissed and humiliated? Earl Mountbatten, came to this country and the case was settled and hushed up, the then Finance Minister, Mr. Sachin Chaudhuri was the lawyer. He cannot be touched.

Coming to multinationals, if we look at the Unstarred Q. No. 6277, You will find the Gramophone Co. Ltd., the Brooke Bonds India Ltd., and the India Tobacco Co. Ltd., maintaining the most powerful lobby in the capital, in the best hotels of the country, and they keep the black money with their distributors, the biggest contributors. I would like to ask why the multinationals have not been touched in a big way.

What happened to the Foreign Airlines, Sabina, the Manager was caught the other day. What have you done to him? Granted bail. If you apply NSA to Shri Ram Avtar Shastri, his relations would not know where you have detained him. You are a God-fearing, pious man, I am told. But do you think that you are acting according to your conscience?

MR. SPEAKER: You cannot believe it?

SHRI JYOTIRMOY BOSU: I have not got the address of god yet. I will take it from him.

About the Handerson case, how many times, their ships are ripped open and gold plates are found, Eastern Wing, Eastern Sudder, four or five, they all thrive. I had been to at least four or five or six jails. But I have not seen a rich man in a jail yet.

In the case of National Grindlays Bank where they had been remitting foreign exchange illegally violating all norms and evading income-tax in this country, the whole Board of Directors came from London and *nakki* was done in Delhi, and everything was dropped.

During the last elections, we know how the Indian rupee price suddenly shot up in the international money market. Mr. Venkataraman, you were not there. I am talking to your Department. Are they worth their salt? Did they ever enquire as to how the Indian rupee price shot up in the international market and which are the countries which were buying to subvert our democracy and influence the elections in this country? We know these countries; we can give you the details. I have given the details recently to RAW and the Prime Minister about something so serious, but so far I have not heard anything. Do you know, when we were behind the bars, many of us this side, a circular went . . .

**SHRI R. VENKATARAMAN :**  
Many of us were also behind the bars.

**SHRI JYOTIRMOY BOSU :**  
Your bungalow window must be secured properly.

Mr. Venkataraman, now four years have passed. Could you kindly take the House into confidence and lay on the Table of the House—do not force me to lay it on the Table—a copy of the circular which was sent out by the Government under Prime Minister's order that big business houses, specially those who are involved in export business, even if they do under-invoicing and over-invoicing and violate the Foreign Exchange Regulations Act, should not be prosecuted or proceeded against? I have got this circular. I would request the hon. Finance Minister to take pains, take the House into confidence, and lay it on the Table of the House. If he does not do it, I have to take pains to lay it on the Table of the House.

**SHRI R. VENKATARAMAN :**  
We have had a foretaste of the debate that we are going to have on the General Budget. Not one point raised by my esteemed friend, Mr. Jyotirmoy Bosu, related to the present issue before us . . . .

**SHRI JYOTIRMOY BOSU :**  
I do not touch one-lakh business.

**DR. SUBRAMANIAM SWAMY :**  
It is only a tip of the iceberg. He has gone down deeper.

**SHRI R. VENKATARAMAN :**  
He said only one thing : you can fool some people for all time, all people for some time, but not all people for all time. If I have the choice, I would like to fool Mr. Jyotirmoy Bosu for all time, rather than do other things.

He has copiously quoted from the Report of the COPU. I have also

seen this. The hon. Member wants a detailed statement on what action has been taken on this particular Report. He can either ask a question . . . .

**SHRI JYOTIRMOY BOSU :**  
I have put the question here. I am putting it now. What action have you taken on all the recommendations and findings of this COPU Report under reference ?

**SHRI R. VENKATARAMAN :**  
I am also entitled to say that I want notice.

**SHRI JYOTIRMOY BOSU :**  
I gave you notice last night, at dawn day today . . .

**SHRI R. VENKATARAMAN :**  
A Minister is not omniscient though sometimes he pretends to be . . .

**SHRI JYOTIRMOY BOSU :**  
I thought you get up before sunrise ; but today I am mistaken.

**DR. SUBRAMANIAM SWAMY :**  
You need notice to unearth the Report !

**SHRI JYOTIRMOY BOSU :**  
S. B. Jain has been promoted.

**SHRI R. VENKATARAMAN :**  
The position is that, when these Reports come, they are processed and action is taken. If any question or questions are asked in respect of them, then I will prepare the reply in respect of those particular questions indicating the action that has been taken . . .

**SHRI JYOTIRMOY BOSU :**  
I have put three questions.

**MR. SPEAKER :** Specifically you can write to him, you can ask him.

**SHRI JYOTIRMOY BOSU :**  
Therefore, the questions are . . .

**SHRI R. VENKATARAMAN :**  
Not now. You will have to pu

it. Either you put the questions or interpellations.

**SHRI JYOTIRMOY BOSU :**  
Mr. Venkataraman, you write them down on a piece of paper. For cyclostyling, it will cost Rs. 5 and for distribution, another Rs. 20. How can I afford it.. (*Interruptions*)

Thiru Venkataraman, I beg of you to understand one thing.

These are the people against whom the committee after going into the fullest detail and after an in-depth examination have recommended prosecution and they have recommended stern measures 1, 2, 3. All that we want you is : please come before the House, if not prepared now, sometime next week...

**MR. SPEAKER :** That is what he says.

**SHRI JYOTIRMOY BOSU :**  
Next week you come before the Ho use...

**DR. SUBRAMANIAM SWAMY :**  
Assurance.

**SHRI JYOTIRMOY BOSU :**  
You give an assurance—as to what action you have taken. Because I understand Mr. S.P. Jain has been kept untouched and I am told he has been promoted or usual promotion is coming and they are all having a *lushy* life, collecting their usual *br* be as well.

**SHRI R. VENKATARAMAN :**  
Just now a report has been placed in my hands. This is a copy of the report of action taken by the government on the recommendations contained in the Sixteenth Report of the Committee on Public Undertakings. This will give the reply to all the

points which he has raised. Now, in spite of this, if he wants further clarification...

**SHRI JYOTIRMOY BOSU :**  
I am not satisfied.

**DR. SUBRAMANIAM SWAMY :**  
It is action taken on Action Taken Report.

**SHRI JYOTIRMOY BOSU**  
Questions on Action Taken Report. (*Interruptions*) Sir, if I had been satisfied with that, I would not have bothered you with these questions. Mr. Venkataraman, I request you, I humbly request you to personally go into the matter and satisfy yourself...

**MR. SPEAKER :** Yes. ves.

Mr. Falciro.

**SHRI EDUARDO FALEIRO**  
(Mormugao) : The figures mentioned by the hon. Finance Minister just now, coupled with the reports we have read in the Press on this incident and other incidents like the Jaipur case of the jewellers do go to show that there has been a spurt in prosecutions under COFEPOSA and, that is most commendable.

There may not be much substance in what has been said just now regarding some important people or people in high places and businesses. Yet, may I submit that there is a feeling in this country—this feeling has been there for a very very long period of time, that though the legislation is good, the implementation is faulty. The implementation is faulty, though now it is improving. From the reports we can say. But still, the feeling is very much there that the implementation is faulty because the Revenue Intelligence or whatever authorities are concerned, are not implementing this legislation effectively.

Now it has been mentioned by Mr. Shastri and it has been mentioned in the cyclostyled reply that the main person involved in this case has been

[Shri Eduardo Faleiro]

released on bail on medical grounds. Now anybody who is even cursorily concerned with our law courts does know that very often it is merely an excuse to get people out. One thing is opposing the of granting of bail and the other thing is opposing it strongly and opposing it with all the will. Very often it happens that the people are released on bail. I am quite confident and if the Minister and the government tell me that it was a genuine case of illness, I will accept it without reservation. I will just point out to this House that very often people, rather the kingpins are released on bail on medical grounds. So they go out, tamper with the evidence and they intimidate the witnesses and the net result is that the prosecution is weakened or it is lost and the case is lost. This is one important aspect—that very often investigations are launched but the cases are lost. They are lost because for one thing, for instance on an important aspect if the lawyers are paid so poorly, you get the type of lawyers who cannot really put a strong defence against the legal luminaries who appear on the other side. So, my submission for the hon. Finance Minister is that this machinery of implementation of COFEPOSA must be strengthened in all its aspects so that firstly investigations and prosecutions are launched against the kingpins, against the top people, people who everybody in this country knows, are the people who are evading and violating foreign exchange regulations—not in lakhs but in crores and that nothing is done to touch them. And when you launch an investigation, sometimes, you must see that it is successfully completed and the man is actually brought to book and is severely punished.

The second aspect which has been already raised—I would like to raise it again—is this. (Interruptions) At some level, there is no will to implement it. I am saying this without

mincing words. It need not necessarily be at the political level.

DR. SUBRAMANIAM SWAMY :  
Then at what level?

SHRI EDUARDO FALEIRO :  
I am putting it before you in all its aspects. The second aspect which I again support strongly is that there are lots of big fish in this country who enter into contracts with the foreign parties. There is under-invoicing. The actual value received by the Indian parties is not shown in the contract. A part of the amount paid in foreign exchange is never revealed in the contract. This money very often goes into Swiss Bank numbered accounts. I would like to know from the hon. Minister whether there is a way out to find out who are the people who have numbered accounts in the Swiss Bank and who are the Indians who hold this type of accounts and whether this disclosure can be obtained.

SHRI INDRAJIT GUPTA :  
(Basirhat) : It is known to them.

SHRI EDUARDO FALEIRO :  
There is another side to the whole question of foreign exchange. There are some small people ; people from the Punjab, people from Kerala, from Goa and from other places who go to the foreign countries who would very much like to send their remittances to this country. But, somehow, the incentives given are not enough. I would like to know from the Government firstly whether they will give further incentives so that our emigrants abroad are encouraged to send their remittances here and to invest them here.

There has been a survey conducted quite recently in Ludhiana District from where a large number of people are going to the foreign countries as emigrants. It is found in this survey that the main use of the remittances. That is, at least more than 75% of the remittances

are spent in this country on food and clothing ; over 25% is spent on household items and the only other priority item is the ceremonies including weddings. That comes to 9.6%. This is a relevant point. I would like to draw your attention to one point. Only a small proportion of the remittances, only 6.1% of their remittances is used for productive investment for the purchase of agricultural and farm equipments and the inputs like the seeds, fertilisers and pesticides. May I know from the hon. Minister as to what steps the Government contemplate to see that these remittances, instead of being used for consumption-oriented expenditure, are used for productive expenditure so that the investment made results in the accretion to the capital and to the wealth of the country.

**SHRI R. VENKATARAMAN :** Sir, the hon. Member said that there is no will to implement the various legislations. I am sorry to say that he should have just made that kind of a sweeping statement.

The will to implement any legislation certainly stems from the party which rules. If the Government wants or, if the party wants to implement the legislation effectively, the civil service will always respond. The civil service in our country has a very good tradition of serving whichever party is in power.

**PROF. N. G. RANGA (Guntur) :** Why give a blanket certificate? It is not this party which is responsible. It is the Janata Party. We are not so much responsible.

**SHRI R. VENKATARAMAN**  
You have not heard me fully.

**SHRI INDRAJIT GUPTA :**  
You will please explain this to Prof. Ranga.

**SHRI R. VENKATARAMAN**  
I will take the responsibility. This is what exactly I said. I will take

the fullest responsibility for the implementation of the laws and I would see particularly that the offences relating to foreign exchange are very severely dealt with. I can say that our performance is not bad in that regard. You will notice that the number of complaints which we have filed in respect of these offences in the courts was 110 in one year, that is, in 1980 and the number of convictions that we secured was 81—a very high record of conviction.

12.49 hrs.

[MR. DEPUTY SPEAKER in the Chair]

Therefore, I would say that it is not the lack of will on our part that is responsible for any laxity in the administration. On the contrary, I would say that the race between the tax—it is unfortunate and the tax dodger is such a keen one that each one is trying to outstrip the other sometimes by trying to take advantage of some loop-hole or something of that kind.

Sir, I assure the hon. Member as well as the House that the Government will take the fullest responsibility for implementation of this legislation. The second point which he wanted to know was whether one could find out the number of people holding number two account in Switzerland. I would be very happy if anybody can find. Under the Swiss Law you cannot get that information. The information is protected and it will not be given. The hon. Member knows that the previous Government tried to get some kind of information and it had been denied.

Sir, the third point relates to facilities for remittances. Recently we have relaxed the regulations in respect of remittances by Indian nationals settled abroad and one of the major incentive we have given is that they can invest in Equity of the

[Shri R. Venkataraman]

Indian enterprises upto 40 per cent without bringing in any sophisticated technology. We have also said that they can keep a foreign account here in dollars and foreign currency and can take it back. We have also offered incentives by way of rate of interest on the money which they hold here. All these have really helped and if you look at remittances in the year 1980 it is that which has gone to really save a very difficult balance of payments position. In 1980-81 as against a normal 2,000 crores last year we had almost double the amount by way of remittances from abroad. Therefore, every effort is being made and I am happy to say it has borne fruit.

12.52 hrs.

#### BUSINESS OF THE HOUSE

THE MINISTER OF PARLIAMENTARY AFFAIRS AND WORKS AND HOUSING (SHRI BHISHMA NARAIN SINGH) : With your permission, Sir, I rise to announce that Government Business in this House during the week commencing 9th March, 1981, will consist of :

(1) General discussion on the General Budget for 1981-82.

(2) Submission to the vote of the House of the Demands for Grants on Account (General) for 1981-82.

(3) Consideration of any item of Business carried over from the Order Paper of today.

(4) Discussion and voting on :

(a) Supplementary Demands for Grants (General) for 1980-81.

(b) Demands for Excess Grants (General) for 1977-78 and 1978-79.

(c) Demands for Grants (Railways) for 1981-82.

(d) Supplementary Demands for Grants (Railways) for 1980-81.

(e) Demands for Excess Grants (Railways) for 1977-78 and 1978-79.

(5) Discussion on the Resolution regarding recommendations of the Railway Convention Committee.

SHRI R. K. MHALGI (Thane) : Sir, there are two points in my notice but I am going to mention only one. Sir I would like the Agriculture Minister to make a statement in the next week regarding a very important point concerning paucity of rains in September-October, 1980 because of which khariff crops in 18 districts of Maharashtra have been adversely affected. Besides Rabi crops in sizeable areas suffered damages due to the moisture stress.

The total loss of crop production of kharif foodgrains, cotton and groundnut is to the tune of crores of rupees. The total number of villages affected, according to *Paisewari* Estimate is about 11,800.

Scarcity of drinking water is being experienced right now. The whole summer season is still to go.

The State Government has requested for the Central assistance of Rs. 28.62 crores: Rs. 20 crores for Relief Employment under the Employment Guarantee Scheme and Rs. 8.62 crores for Drinking Water Supply measures. In addition, Rs. 33.80 lakhs have been requested for giving Taccavi loans for purchase of fodder for cattle upto 31-3-81.

The Central team visited the State of Maharashtra in the second week of February, 1981. The team, according to my information, is generally satisfied with the field visits. I, therefore, urge upon the Government to make a categorical statement in the next week of Central Assistance to Maharashtra, as asked for. Thank you.