

**Alleged Abetting of Smuggling by  
Officials**

5898. SHRI RAM SAGAR (Saidpur):  
SHRI MADAN LAL KHURANA:

Will the Minister of FINANCE be pleased to state:

(a) the details of the officers/staff of the Customs House and Central Excise Collectorate found responsible for aiding and abetting the smuggling activities and tax evasion during the last three years, year-wise and trade-wise:

	1987	1988	1989*
Number of Officers/Staff	25	25	44

\*Figure is provisional.

(b) The aforesaid officers/staff are liable for penalty, prosecution and detention under the provisions of Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974. Such Officers also face suspension and punishment including dismissal/removal from service in the disciplinary proceedings instituted.

(c) The details of the cases pending finalisation are being collected and will be laid on the table of the House.

**News Item Captioned "Smugglers  
Prefer Bullions"**

5899. SHRI RAM SAGAR (Saidpur):  
Will the Minister of FINANCE be pleased to state:

(a) whether the attention of Government has been drawn to the news item captioned "Smugglers prefer bullions" appearing in the National Herald dated 9 September, 1989:

(b) the action taken against such employees/officers; and

(c) the details of the cases pending finalisation with steps taken to expedite their finalisation?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) The number of Officers/staff of the Customs & Central Excise Department found to be aiding /abetting smuggling activities and tax evasion during the last three years are given in the table below:

(b) if so, the details thereof; and

(c) the details of the Customs officials found to be involved in smuggling activities or helping the smugglers directly or indirectly?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b). Yes, Sir. Gold and silver bullion continue to be sensitive to smuggling into the country because of wide differential between International prices and domestic prices. Gold and silver forms a substantial component of the value of seizures made during the last three years.

Persons involved in smuggling activities including Organizers, Financiers, Landing Agents are liable for penalty, prosecution and detention under the provisions of Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974. Statistics relating to seizures, persons arrested, prosecuted and detained in the last three

years are given below:

		<i>(Value : Rs. in Crores)</i>		
		1988	1989	1990 Upto 16.4.90
1.	Value of all contraband seized	443.14	554.59	196.39
2.	Value of gold seized	200.52	259.60	43.28
3.	Value of silver seized	10.56	67.57	45.54
4.	Number of persons arrested	3255	3884	910
5.	Number of persons prosecuted	2281	2028	448
6.	Number of persons detained under COFEPOSA Act, 1974.	1169	1114	228

\*Figures are provisional.

(c) 65 Officers/staff of the Customs and Central Excise department were found to be aiding/abetting smuggling activities during the last three calendar years, 1987, 1988 and 1989.

#### **Investment by Financial Institutions in Private Sector**

5900. SHRI KAILASH MEGHWAL: Will the Minister of FINANCE be pleased to state:

(a) whether the Companies private sector have borrowed huge sums from the public financial institutions, thus reducing their own share-holding to less than 20 per cent; and

(b) whether Government propose to withdraw these large sums from private sector to be reinvested in selected public sector undertakings which are in need for further investments?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b). All India

Development Financial Institutions, i.e. Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), Industrial Reconstruction Bank of India (IRBI) and Industrial Credit and Investment Corporation of India (ICICI) provide financial assistance to all viable projects which are in conformity with national priorities. Such financial assistance is provided to public limited companies in the private, public or joint sectors and to cooperative societies. Such assistance is also extended to private limited companies in certain cases.

Financing of the units are subject *inter-alia* to norms in respect of promoters contribution. Such contribution can be in the form of share capital, internal generations, additional capital or unsecured deposits.

#### **Export of Granite Stones**

5901. SHRI N. DENNIS: Will the Minister of COMMERCE be pleased to state:

(a) the States from which Granite stones are exported;