

**SHRI K. C. PANT :** In fact, that is the reason why this Project has been pursued all these years, (a) as the lady Member said, nickel is an important metal and it has certain strategic applications ; and (b) because we have 154.5 million tonnes of nickel, certainly low grade, but still it is our own nickel. But there is certainly advantage in developing it. But the cost has to be kept in mind. It has to be economically viable. (*Interruptions*) You cannot start a Project knowing full well that it is going to be a white elephant. This is the problem. Yet, I did say that it is not a question of abandoning it altogether. We should keep an eye on it. At the moment, I do not think, considering the constraint of resources, we can find money for it. (*Interruptions*)

**Conservation of Foreign Exchange and  
Pervention of Smuggling Activities Act**

**\*471. DR. PHULRENU GUHA :** Will the Minister of FINANCE be pleased to state :

(a) whether some persons have been detained under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act during the current financial year ;

(b) if so, the details thereof ; and

(c) the grounds of such detentions ?

**THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) :**  
(a) to (c) : A statement is given below.

**Statement**

(a) and (b) During the Period April, 1985 to November 1985, 554 persons have been detained under the Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974.

(c) These persons have been detained with a view to preventing them from acting in any manner prejudicial to the conservation or augmentation of foreign exchange, or with a view to preventing them from smuggling goods, or abetting the smuggling of goods, or engaging in transporting or concealing or

keeping smuggled goods, or dealing in smuggled goods otherwise than by engaging in transporting or concealing or keeping smuggled goods.

**DR. PHULRENU GUHA :** In the statement it is stated that 554 persons have been detained during April, 1985 to November, 1985. I would like to know how many of them were convicted and what is the minimum and what is the maximum punishment given to these people.

**SHRI VISHWANATH PRATAP SINGH :** The number of convictions from 1st January, 85 to 31st October, 85 out of court decisions of 876, 682 have been convicted.

**PROF. MADHU DANAVATE :** 682 are men of conviction !

**SHRI VISHWANATH PRATAP SINGH :** 78.75% have been convicted which is a very high rate of convictions, about 79% conviction.

**DR. PHULRENU GUHA :** My second part of the question is not answered. I wanted to know what is the minimum and what is the maximum punishment given to them.

**SHRI VISHWANATH PRATAP SINGH :** That will be made clear in the court. That will require court validity because out of 682, I have no data how much each got conviction.

**DR. PHULRENU GUHA :** My question was quite simple ; maximum and minimum, whatever may be.

**SHRI VISHWANATH PRATAP SINGH :** I will supply it.

**DR. PHULRENU GUHA :** My second question is from which frontier of our country smuggled goods enter into India and what type of goods are smuggled and from which country, goods are smuggled.

I would also like to know whether Government is contemplating to make the smuggling law more stronger.

**SHRI VISHWANATH PRATAP SINGH :** The main area from which most of the smuggled goods come is West Coast, East Coast, Indo-Pak border. Indo-Nepal border, Indo-Bangladesh border and India-Burma border. I am giving the relative values that we have come across so that you know... ..

**PROF. MADHU DANDAVATE :** All-rounded phenomenon.

**SHRI VISHWANATH PRATAP SINGH :** It is not an all-rounded phenomenon. It is equal. I want to point out from West coast, in 1985, up to October, the value of seizures has been Rs. 5424 lakhs ; in East Coast Rs. 2,340 lakhs; Indo-Pak border Rs. 2,448 lakhs ; Indo-Nepal border Rs. 362 lakhs ; Indo-Bangladesh border Rs 326 lakhs ; Indo-Burma border Rs. 22 lakhs. So, there is a qualitative difference. About the goods that basically come as smuggled goods, gold, watches, synthetic fibres, diamonds, drugs—these are the main items.

**PROF. MADHU DANDAVATE :** Synthetic textiles Rs. 3,000 crores.

**SHRI S. JAIPAL REDDY :** I want to know whethet the persistent allegation that big business groups in India are laundering their money abroad as a part of take-over of Indian companies has been brought to the notice of the Government of India and if so, whether the Government has since raided the premises of many big business houses in this respect, what are the results thereof and what are the stringent steps proposed to be taken by the Government to guard the sanctity of our financial frontiers.

**SHRI VISHWANATH PRATAP SINGH :** I would not say that all big business groups are doing this unless there is evidence. But certainly we have come across in respect of certain large groups ; we have come across evidence where by under-invoicing and over invoicing money is being pumped out of this country ; it is a very serious matter and the Government takes a very serious note of it, because it is nothing less than exploitation of the country's wealth. The Britishers did the same thing ; they pumped out and took the wealth of the country. This is nothing less.

**SHRI S. JAIPAL REDDY :** This is super-smuggling.

**SHRI VISHWANATH PRATAP SINGH :** Therefore, where we have got evidence, we have conducted raids on the basis of the evidence that we have in hand, and we have set up the Economic Intelligence Bureau to strengthen this ; and we intend to strengthen further our enforcement machinery abroad and within the country.

**SHRI S. JAIPAL REDDY :** Nobody has been punished.

**SHRI VISHWANATH PRATAP SINGH :** We have taken action. The matters are in the court, and prosecution will be launched.

**SHRI HAROOBHAI MEHTA :** Recently on account of raids by the DRI on certain big groups of companies like Kirloskar certain detections have been made regarding violation of foreign exchange by them. But there are some political pressures put by an Opposition Party, not being a leftist Party, and the Chamber of Commerce. Will the hon. Minister kindly assure that Government will not succumb to any political Pressure or pressure by the Chamber of Commerce and strict action will be taken for violation of foreign exchange by these groups, if found guilty ?

**SHRI VISHWANATH PRATAP SINGH :** Just one information—because the hon. Member wanted to know the action taken. Recently in the Havala transaction twelve persons are under COFEPOSA ; that action, we have taken—he was saying that nobody had been punished.

About the investigation regarding Kirloskar Group, I would just say that investigations are taking place and on the basis of the evidence that we come across, certainly Government will take action, and there is no question of changing due to pressure.

#### Computerisation in Life Insurance Corporation

\*472. **SHRI MULLAPPALLY RAMACHANDRAN :** Will the Minister of FINANCE be pleased to state ;