

**SHRI P. R. SHENOY:** The electronics industry can grow even in backward areas. In view of this, may I know whether the Government will set up electronics industrial estates in all the States in the country?

**SHRI VISHWANATH PRATAP SINGH:** This is a suggestion for action.

श्री मधु लिवये : क्या इलेक्ट्रॉनिक नुडज के लिए ईगान बड़न अम्छा बाजार है और क्या उस का इस्तेमान बड़े पैमाने पर किया जा रहा है ?

**SHRI VISHWANATH PRATAP SINGH:** Yes, Sir. There is a good market for electronic goods and the Government is making the maximum effort to utilize it.

**SHRI D. D. DESAI:** Government has realised the importance of electronics industry and its export potential and has confirmed quick clearance of industrial licences and capital equipment. But, in spite of all the promotional activity, the electronics industry had a very low level of exports. May I know whether the insistence of Government on indigenous know-how is an inhibiting factor which is presently holding up big exports by the electronics industry?

**SHRI VISHWANATH PRATAP SINGH:** I would first like to dispel the contention of the hon. Member that the export of electronic goods is not picking up. While in 1971-72 the export of electronic goods was of the order of Rs. 5.16 crores, in 1972-73 it went to Rs. 9.63 crores. I do not think indigenous know-how in the export processing zone is an inhibiting factor, because there are many companies with foreign-owned know-how also.

**SHRI PARIPOORNANAND PAINULI:** Is the hon. Minister aware of the fact that there is a considerable demand of electronic goods in the country itself and, if so, will he consider or will he

assure the House that he will meet the local needs first before thinking of exporting electronic goods outside?

**SHRI VISHWANATH PRATAP SINGH:** We will consider both the needs of export and of domestic demands.

**SHRI RAJA KULKARNI:** What is the progress of the Santa Cruz Electronics export project and when the exports from that project are likely to start?

**SHRI VISHWANATH PRATAP SINGH:** Five units have started working in the export processing zone and exports have started from 1st September, 1974.

#### Cases Involving Economic Offences against Shri R. N. Goenka and his Concerns

\*352. **SHRI BHOGENDRA JHA:** Will the Minister of FINANCE be pleased to state how many criminal cases for economic offences are under investigation or pending disposal in courts against Shri R. N. Goenka and the firms/concerns connected with him and what are the details thereabout and what steps are being taken to expedite the same?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE):** Information in respect of cases pertaining to direct taxes pending disposal in Courts and in respect of cases handled by Central Bureau of Investigation is furnished in the statement Placed on the Table of the House [Placed in Library. See No. LT-9177/75]. Information in respect of cases pertaining to Customs and Central Excise pending disposal in Courts is being collected and the same will be laid on the Table of the House.

**SHRI INDRAJIT GUPTA:** Sir, before he asks the supplementary, in regard to the latter part of the question

as to what steps are being taken to expedite the same, he has not replied anything about that.

**MR. SPEAKER:** Let the Member ask it.

**SHRI PRANAB KUMAR MUKHERJEE:** We are trying to expedite it. For example, there is a case in the Chief Presidency Magistrate court and they have adjourned the case till 22nd March. We cannot expedite it at our own desire. Regarding investigations, they are being expedited.

**MR. SPEAKER:** Shri Bhogendra Jha. This is your second supplementary.

**SHRI BHOGENDRA JHA:** Sir, the long statement given by the hon. Minister makes a very evasive reading. This symbolises the fountain of corruption, cheating, mal-practices, false accounting, etc. that are prevalent in our country in the monopoly circles.

The hon. Minister, while replying has evaded a part of my question, which my hon. friend, Shri Indrajit Gupta, just now mentioned, as to what steps are being taken to expedite it. I would like to know, when such cases of fraudulent cases have been detected and established, why so far no action has been taken. Although the firm was formed after April, 1971, it was made to appear that it had been from 1-10-1970. There are other complaints of false accounting, false returns, etc. running into several crores of rupees. In one case, the amount involved is Rs. 2 crores, in another case it is Rs. 1.15 crores and in another case, it involves lakhs of rupees.

I want to know, when such things are there, whether it is a fact that Shri R. N. Goenka who is a Member of the Lok Sabha, has had dealings with these firms, and, due to pressure on the Government, the investigations in major cases are still pending for several years. Till now, the CBI has not completed the investigations. I would like to know whether that pressure has acted upon the Government

in not completing the investigations. I am not talking of cases which are pending in the court. I would like to know whether this Bhagwandass Goenka is the same person who is master of the paper "Evermans" being edited just now and because of that paper also Government is feeling soft—because that is the political argument.

**MR. SPEAKER:** You cannot have your own arguments. You may put a straight question.

**SHRI BHOGENDRA JHA:** Is this Bhagwandass Goenka the Proprietor/Editor of the paper "Evermans" and, in that political background, as the ruling Party has a strong bias against national dialogues, (*Interruptions*) is it because of that that they are feeling this weakness?

I would also like to know whether, since these cases relate to false fabrications—which are very serious criminal offences—they cannot be put behind bars. Why are these persons, who are habitual offenders, not put behind the bars and why are they at large? It is because of political pressure?

**SHRI PRANAB KUMAR MUKHERJEE:** So far as investigation by the CBI is concerned, I can assure the Hon. Member that there is no political pressure. But as the CBI has to look into various documents in various places, because a large number of companies and a large number of people are involved in these cases, it is taking some time. In the lengthy statement which I have laid on the Table of the House, I have given full facts of the cases which are in court and the stages of investigation at various levels. Therefore I deny that there is any pressure because of which the CBI is going slow in these matters.

Regarding the other questions, I don't think they have any relevance to the present question.

**SHRI BHOGENDRA JHA:** My question was, firstly, whether he is a Member of the Lok Sabha and, secondly, whether he is Proprietor of "Evermans".

**SHRI PRANAB KUMAR MUKHERJEE:** Regarding the newspaper, I will have to ascertain.

**SHRI BHOGENDRA JHA:** My second supplementary is this. He has mentioned in his statement on p. 2 that he has dealings of fabrication and forgery in connection with the Indian Express Newspaper, Bombay, Express Newspapers (P) Ltd. Madras, the Indian Express, Madurai and the Andhra Prabha Ltd., Vijayawada. All these companies together form the biggest chain in India controlled by a single fraudulent monopoly house. I would like to know whether, if all these things are proved *prima facie*, the Government proposes to take over the firm and hand them over for being run by the employees and editing staff of the newspapers, pending final disposal of the cases, and also whether this Goenka was Proprietor of the Punjab National Bank. It is mentioned here that he has been drawing money therefrom because the staff there had been in his service formerly. So, is any directive being issued now to the Punjab National Bank not to advance any credit to these firms, companies and persons, pending final disposal of the cases?

**SHRI PRANAB KUMAR MUKHERJEE:** So far as credits from national banks are concerned, each and every credit is being issued on the merits of the cases and if the banks find that there is no chance of recovery of the money, naturally they are not going to give credit to these persons.

Regarding the taking over of the companies, there is no such proposal under consideration at this stage.

**MR. SPEAKER:** Shri Das Munsi.

**SHRI BHOGENDRA JHA:** The question was about the Punjab National Bank and not any other public institution.

**SHRI PRANAB KUMAR MUKHERJEE:** That is already mentioned in the text of the statement.

**SHRI PRIYA RANJAN DAS MUNSI:** Before I put my supplementary, I would like your guidance. In the last session of the House, when the matter was brought up in the manner of a privilege motion, he had said that the charge was made before the court involving him not as a Member of Parliament. On that day, Mr. Goenka answered in that tune. But today I find from the statement that the charges framed against Goenka were not when he was not a Member of Parliament but when he became a Member of Parliament.

During the accounting year relevant for the assessment year 1971-72, they had formed a bogus firm in the name of Express Traders; although the firm was formed after April 1971, it was made to appear that it had been formed earlier.

There was another charge against Mr. R. N. Goenka and Mr. G. M. Laud under section 277 of the Income-tax Act, 1961, as they had signed the return of income of the alleged firm for the year 1971-72.

This clearly establishes that Mr. Goenka, being a Member of Parliament, did this crime and charges have been framed. This is for your information. (*Interruptions*).

**MR. SPEAKER:** You are giving the information and are not needing my guidance.

**SHRI PRIYA RANJAN DAS MUNSI:** I want your guidance, Sir. I am coming with another motion. You may think it over.

Now I put my question. Is the Minister aware of the fact that yesterday it has come in a leading newspaper of Delhi that the Bhabatosh Datta Committee's recommendations have made it clear that the newspaper groups are engaged in diverting their funds to some other business involving the newspapers, and in that, the Indian Express Group of Goenka has been mentioned? If this is so, I want to know whether the Ministry has taken any action in this regard or is considering taking any action.

My second question is this. On economic offences and other crimes relating to economic offences the Ministry of Finance, the Government, usually do arrest the people and keep them in police custody. But Mr Goenka has not been arrested and has never been kept in police custody. Every time when there is a report, they pressurize the Finance Ministry and the Ministry of Company Affairs to delay sending the investigation materials to the court. The Minister has stated in reply to Mr Indrajit Gupta that, since the case is adjourned we cannot do anything. But my information is that the court requires the investigation materials which the Ministry of Finance is not supplying and is delaying. I want a categorical answer to these questions.

**SHRI PRANAB KUMAR MUKHERJEE** So far as the last part is concerned I shall have to ascertain the fact whether at any stage of the trial the court wanted information from the Ministry of Finance and the Finance Ministry was not in a position to provide those materials.

Regarding pressure, I have already mentioned that we are not subjected to any pressure. The case will take its own course. The CBI is looking into the various aspects of the question.

Regarding the revenue case, I have already given detailed information at what stage it is.

Regarding diversion of the funds of the newspaper to certain allied and connected industries, in the text of the statement itself I have mentioned that this is one of the charges against this Group.

**श्री नरसिंह नारायण पांडे :** जैसा मंत्री जो ने स्टेटमेंट के तीसरे पेज में कहा है कि सी० बी० आई० का इन्वेस्टीगेशन श्री धार० एन० गोयनका चेरमैन बोर्ड प्राइवेट लिमिटेड, नेशनल कम्पनी लिमिटेड कलकत्ता के खिलाफ 1966 से 1969 तक के दो करोड़ ६० के प्रादान प्रदान के बारे में हुआ है और प्राज 1975 हो गया है, इस सम्बन्ध में जो दो करोड़ का ट्रिब्यूनल इन्होंने किया है मिसवृत्ति लाइसेंस किया है और वैसे दूसरे फण्ड में डाइवर्ट किया है इस सम्बन्ध में अभी तक सी० बी० आई० ने क्या कार्यवाही की और कम्पनी अफेयर्स मन्त्रालय ने जो केस दायर किया है उस के बारे में क्या स्थिति है और इस डिले का क्या कारण है ?

**SHRI PRANAB KUMAR MUKHERJEE** I have already mentioned that this is a criminal case which has been instituted on 10-12-1965—regarding M/s National Company at Calcutta. It is still under the consideration of the court. We are trying to get the case expedited (*Interruptions*).

**SHRI NARSINGH NARAIN PANDEY** Why was he not arrested?

**SHRI PRANAB KUMAR MUKHERJEE** If the hon Member is interested in having the information, I can give the information, but at present it is not with me. As I have said, the case is still under the consideration of the court.

**SHRI SAMAR GUHA** I want to know from the hon Minister, whether Shri Bharat Hari Singhania and Shri Gujarmal Modi are also associated with the companies against whom investigation is being conducted and

against whom complaints have been lodged about evasion of income-tax and other defaults?

**SHRI PRANAB KUMAR MUKHERJEE:** This is a specific question and I have no information about it.

**श्री सवर गुह :** याप जरा मेहत्वानी कर के उन से जवाब दलाइये ।

**श्रीप्रबल महोदय :** मैंने तो याप का प्रश्न नहीं रोका ।

**SHRI PRANAB KUMAR MUKHERJEE:** Regarding Shri Bharat Hari Singhania, I mentioned about one foreign exchange case in reply to Shri Pilloo Mody's question yesterday, but I have no specific information whether C.B.I. is carrying out any investigation. If you want, please submit a separate notice.

**SHRI SAMAR GUHA:** The Minister has given a long list of the Companies. I wanted to know, whether Shri Bharat Hari Singhania and Shri Gujarmal Modi are also associated with these companies, the names of which have been mentioned.

**THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM):** As far as we are aware these two persons are not associated with these companies.

**SHRI DINEN BHATTACHARYYA:** There are so many cases in so many courts. May I know, what is the co-ordination between one set of persons who are enquiring and another set of persons who are enquiring the other cases, and whether the Advocate-General has been properly briefed, so that the persons who have cheated such a big amount of national money do not go free?

**SHRI PRANAB KUMAR MUKHERJEE:** If the hon. Member will go through the statement, he will find that there are two cases relating to

income-tax and one case which is there at Calcutta under I.P.C. There are certain other cases under investigation also. All the legal advice and counsel that is necessary is being taken. I do not know whether Advocate-General is consulted or not.

**SHRI INDRAJIT GUPTA:** In this statement, Sir, the name of National Company, which is the largest jute manufacturing unit in the country has been mentioned and the figures are also very prominent. There are some cases pending in the courts and the CBI investigation in respect of other cases has been going on for years and years. In this very House, the matter of Shri Goenka's attempt to buy the shares of Indian Iron and Steel Company was raised several years ago. I am just trying to point out, for how many years—12 to 15 years—these investigations have been going on without coming to any conclusion. I am not taking about court cases which may be beyond the Government's control. I am talking about the CBI inquiry which has been going on now for over 10 or 12 years. I would like to know from the Minister whether during this prolonged period any steps have been taken to divest these people of the controlling interest they have in the National Jute Company. I am not talking about arresting them because obviously, nothing has been done about that. I want to know at least what steps have been taken to see that the controlling interests in this jute manufacturing unit which is the largest unit in India, not only in India but perhaps it is one of the biggest in the world, are changed. Or do the controlling interests, still remain in the hands of this tribe of Goenkas who are charged with all these serious offences? Have the Government taken any steps to see that the controlling interests are changed, the Board is changed, whether any Government representatives or of financial institutions have been put on the Board to keep a somewhat more effective supervision. What have they done? I want to know exactly how the controlling interests of this firm have been safeguarded so that they do

not remain in the hands of this particular Group which has played ducks and drakes with so many crores of rupees.

**SHRI PRANAB KUMAR MUKHERJEE:** So far as this particular question is concerned, the Company Affairs Ministry is looking into it. I will pass on his suggestion to the Department of Company Law Affairs.

**SHRI SOMNATH CHATTERJEE:** What kind of government is this? I cannot understand.

**श्री राज रत्न शर्मा :** अध्यक्ष महोदय, गीयनका के विरुद्ध आर्थिक अपराधों की अदालती जाच हो रही है। मंत्री महोदय ने अपने निखित वक्तव्य में यह बतलाया है कि जिन मामलों की जाच हो रही है वे 66 से लेकर 69 तक के अधिकतर मामले हैं। हम के बाद के भी हैं लेकिन 66 से प्रारम्भ होते हैं।

**श्री जगन्नाथ राव बोली :** जब वह कांग्रेस में थे।

**श्री राज रत्न शर्मा :** देश में आज यह आशंका स्यात है कि कोई भी आदमी या आर्थिक मगरमच्छ जिनका कि पूरे देश की आर्थिक स्थिति पर कण्टोल रहता है, जब तक वह कांग्रेस के साथ रहना है, रूनिंग पार्टी के साथ रहता है, तब तक उस के खिलाफ कोई कार्यवाही नहीं की जानी और जब वह कांग्रेस को छोड़ देता है उस के बाद उस के खिलाफ कार्यवाही प्रारम्भ की जानी है। मैं मंत्री महोदय से इस भर्ष में जानना चाहूंगा कि क्या जो इस तरह के व्यक्ति हैं चाहे वह डाब्लिग हों, टाटा हों, बिरला हों या सिद्धानिया हो या मोदी हो, गूजरमल मोदी हों, इनके खिलाफ आर्थिक अपराधों के विरुद्ध कोई कार्यवाही सरकार कर रही है या नहीं ?

**SHRI PRANAB KUMAR MUKHERJEE:** Anybody who commits an offence against the national economy, whoever he be, will be brought to book.

Regarding the age of the cases the hon. Member has mentioned, it is not a fact that all these cases are pending for a long time. Only one case was of December 1965 and that is taking a long time in court. The other one was instituted on 18-11-1974 and the third one was of September 1974. (Interruptions).

**भारत और यूरोपीय आर्थिक समुदाय के बीच  
हुई बैठक**

\* 353. **श्री जनेश्वर निषध :** क्या वाणिज्य मंत्री यह बताने की कृपा करेंगे कि :

(क) भारत और यूरोपीय आर्थिक समुदाय की पहली बैठक में किये गये निर्णयों को कब तक लागू कर दिया जायेगा, और

(ख) इनका भारत के आन्तरिक तथा विदेशी व्यापार पर क्या प्रभाव पड़ेगा ?

**THE MINISTER OF COMMERCE (PROF. D P. CHATTOPADHYAYA):** (a) and (b). A statement is laid on the Table of the House.

#### Statement

At the first meeting of the India-EEC Joint Commission held in Brussels on 27th and 28th May 1974 two specialised sub-commissions were set up to deal with Sectoral Agreements and Cooperation measures.

The two sub-commissions considered the matters assigned to them in accordance with the mandates given to them and submitted their reports to the Second Session of the India-EEC Joint Commission.

The first Session also recommended to the Community in regard to the preparation of a brochure on Community's Generalised Scheme of Preferences; organisation of Seminars on GSP in India in 1975 and complete suspension of tariff for Cashew Shell liquid, tanning extracts and East India Kips of weight exceeding 4.5 Kg.

The Seminars on GSP have already been held in New Delhi, Bombay, Madras, Calcutta during February 1975 and during the Seminars the Community also circulated a brochure on Community's GSP. The Community have totally suspended tariffs on East India Kips weighing each more than 4.5 Kg. net and not more than 8 Kg. and on tanning extracts derived from gambier and myrobalan fruits. As regards Cashew Shell liquid it was classified under a duty free tariff heading

The discussions in the Joint Commission and measures taken in pursuance thereof have no relevance to the internal trade of India. In so far as external trade of India is concerned, the impact of measures taken as a result of the deliberations of the Joint Commission cannot be quantified.

**श्री जनेश्वर मिश्र :** अध्यक्ष महोदय, असल मे श्रगला सवाल बम्बई बनाम कलकत्ता का है, इसलिये मेरे ऊपर बहुत दबाव है कि मैं बहुत छोटा सप्लीमेंटरी पूछ और मैं बहुत ही कम मे पूछूंगा।

ऐसा लगता है कि जबाब देते समय सरकार भांग पो कर जबाब देती है। इन्होंने जबाब दिया है।

“संयुक्त आयोग में हुई चर्चाओं और उनके अनुसरण में किये गये उपायों का भारत के आन्तरिक व्यापार पर कोई संबंध नहीं है। जहां तक भारत का विदेश व्यापार का संबंध है यह नहीं जाना जा सकता है कि संयुक्त आयोग की चर्चाओं का फलस्वरूप किये जाने वाले उपायों का कितना प्रभाव पड़ेगा।”

मगर यह सरकार खबर नहीं देती है श्री आखिर इस ऐबीमेंट और करार का मतलब क्या है ? इस करार के पहले इयूटी फ्री होने के पहले काजू आयल और ईस्ट इंडिया कि-स इन दोनों का जितना एक्सपोर्ट यूरोप के देशों में होता था क्या इयूटी फ्री होने के बाद सरकार ने कोई लक्ष्य बनाया कि कितना बाहर भेजेंगे ?

**PROF. D. P. CHATTOPADHYAYA.** We have said that this Commission have discussed mainly two areas—sectoral agreements regarding commodities like jute and coir and also the possibility of technical and industrial co-operation. As an indirect effect of this sectoral agreement the export of some of the commodities like jute and coir is duty free and they will continue to be duty free. In that respect this foreign trade agreement between EEC and India has an impact on internal trade but it has no direct bearing on the internal trade.

**श्री जनेश्वर मिश्र :** क्या बजह है अध्यक्ष महोदय, कि हिन्दुस्तान में बार बार यह मांग की गई कि जो यूरोप के देशों के लोगों का कच्चा भारत के चाय बागान पर है उनका राष्ट्रीयकरण सरकार करे, तो क्यों नहीं चाय और काफी के बारे में हुई इस आयोग से बातचीत के दौरान इन दोनों विषयों को लिया गया ?

**PROF. D. P. CHATTOPADHYAYA:** Whether we nationalise tea or other plantation industry is purely our internal affair. It did not figure in our discussions with the E.E.C.

**श्री शशि भूषण :** अध्यक्ष महोदय, इस यूरोपियन एकोनामिक कम्युनिटी से कोई लाभ होता तो नजर नहीं आता तो मैं जानना चाहता हूं कि मंत्री महोदय से कि इस दिशा में इससे जान छुड़ाने के लिये कोई एजियन एकोनामिक कम्युनिटी की स्थापना करने का उनका कोई विचार है ?

**PROF. D. P. CHATTOPADHYAYA:** I do not agree with the hon. member that the figures bear out to show that there is no benefit from the understanding with EEC. Our trade with the countries has gone up. The idea about the Asian Economic Community is a good one. We have discussed about it in the 31st Asian Conference. We are following it up.

**MR. SPEAKER:** Order, Order. The Question Hour is over.  
(Interruption)

WRITTEN ANSWERS TO QUESTIONS

Fall in Value of Rupee

\*345 SHRI Y. ESWARA REDDY;

SHRI ISHAQUE SAMBHALI;

Will the Minister of FINANCE be pleased to state:

(a) whether the value of rupee has depreciated by over 22 per cent in the international money market against major World currencies during the last one month;

(b) if so, the facts thereof; and

(c) what is the external parity of the rupee?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a) No, Sir.

(b) Does not arise.

(c) The rupee sterling rate has been fixed at Rs. 15 80 equal to one pound, and the rate for other currencies is derived as a result of a cross rate between a constant rupee pound sterling rate and rate between the other currencies and pound sterling.

Production of Controlled Cloth and Export of Cotton Textiles

\*346. SHRI RAGHUNANDAN LAL BHATIA:

SHRI PURUSHOTTAM KAKODKAR:

Will the Minister of COMMERCE be pleased to state:

(a) whether the present scheme of combined obligations for the production of controlled cloth and export of cotton textiles is not satisfactory;

(b) whether any demand was made by the Indian Cotton Mills' Federation recently for the bifurcation of these two obligations; and

(c) if so, whether any steps have been taken by Government in this regard?

THE MINISTER OF COMMERCE (PROF. D. P. CHATTOPADHYAYA):

(a) The Scheme has been useful in regard to textile exports, and controlled cloth production has also been maintained.

(b) The delinking of the controlled cloth Scheme from exports has been suggested.

(c) The Scheme will continue until 30th June, 1975. Government are, however, reviewing the Scheme, in order to effect changes, if necessary.

Fixed Deposits by Companies

\*349. DR. KARNI SINGH: Will the Minister of FINANCE be pleased to state:

(a) the number of companies that have invited fixed deposits during the last six months and the reasons therefor; and