

LOK SABHA

Friday, August 14, 1970 | Sravana 23,
1892 (Saka)

The Lok Sabha met at Eleven of the Clock.

[Mr. Speaker in the Chair]

ORAL ANSWERS TO QUESTIONS

Seizure of Indian and Foreign Currency
from Persons in Palghat and
Coimbatore

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*421. SHRI E. K. NAYANAR :
SHRI NAMBIAR :
SHRI P. P. ESTHOSE :
SHRI K. RAMANI :
SHRI K. M. ABRAHAM :

Will the Minister of HOME AFFAIRS
be pleased to state :

(a) whether eleven persons have been
arrested in Palghat and Coimbatore recently
with over Rs. 35 lakhs of Indian cur-
rency ;

(b) if so, whether these persons were
engaged in smuggling and foreign currency
rackets ;

(c) the names of the arrested persons ;
and

(d) the stage of investigation ?

THE MINISTER OF STATE IN THE
MINISTRY OF HOME AFFAIRS (SHRI
RAM NIWAS MIRDHA) : (a) to (d). A
statement is laid on the Table of the
House.

Statement

During the period from 18th June, 1970
to 2nd July, 1970, the Directorate of En-
forcement conducted 20 raids in connection
with the investigations into certain cases of
alleged contravention of the Foreign Ex-

change Regulation Act by certain persons in
Tamil Nadu and Kerala States and seized
Indian currency totalling Rs 5,08,700/-. In
this connection 19 persons were arrested.
These persons are alleged to be indulging
in making and receiving payments in India,
under instructions or on behalf of persons
abroad, thereby contravening the provisions
of the Foreign Exchange Regulation Act.

The names of the persons arrested
are :

- (1) Shri M. K. M. Tajudeen.
- (2) Shri Sheikh Mohamed.
- (3) Shri E. M. M. Razook.
- (4) Shri E. M. M. Basheer Ahmed.
- (5) Shri E. M. M. Narul Amin.
- (6) Shri M. A. Saifuddin.
- (7) Shri P. S. Hussain.
- (8) Shri Kaja Mohideen.
- (9) Shri V. Khader Ibrahim.
- (10) Shri M. S. Abdul Khader.
- (11) Shri E. M. M. Mohamed Abdeen.
- (12) Shri K. Rajendran.
- (13) Shri V. Sunderarajan.
- (14) Shri K. Bharathan.
- (15) Shri K. T. Hussain.
- (16) Shri K. Kunjumon.
- (17) Shri K. P. Madhavan Pillai.
- (18) Shri K. K. Moosa.
- (19) Shri N. Mohamed Sherrif.

Further investigation in the case is conti-
nuing.

SHRI E. K. NAYANAR : A big foreign
exchange racket is unearthed involving
Rs. 30 lakhs, and this racket has been
operating in Coimbatore and Palghat, but
the Government is able to confiscate only
Rs. 5 lakhs. Out of 19 persons, may I
know how many people were involved in
Kerala area alone, and whether any docu-

ments have been seized from these persons who have been arrested by the Government officials, and what information is there in the documents? Is it a fact that the arrested persons have connections with some individuals residing in Malaysia and Singapore, and whether it is also true that secret tokens were issued to some people in Kerala by the Singapore and Malaysia counterparts of the racket and they received money ranging from Rs. 50,000 to Rs. 1 lakh, and if so, what steps have the Government taken to unearth this foreign exchange racket and their connections with Singapore and Malaysia?

SHRI RAM NIWAS MIRDHA : Investigations in this case was started from 16th June, 1970, and during the period from 18-6-1970 to 2-8-1970, the Director of Enforcement conducted in all 20 raids in connection with the investigations into certain cases of alleged contravention of the Foreign Exchange Regulation Act by certain persons in Tamil Nadu and Kerala States. As a result of these raids, 19 persons were arrested : 11 persons in Coimbatore, five at Palghat, two at Madurai and one at Erode. The total Indian currency seized in this connection is Rs. 5,08,700. The documents seized reveal transactions to the tune of Rs. 32,20,000. These persons are alleged to be indulging in making and receiving payments in India, under instruction or on behalf of persons abroad, without the permission of the Reserve Bank of India, thereby contravening the provisions of section 5 of the Foreign Exchange Regulation Act.

As regards the hon. Member's question about their having connections in Malaysia and Singapore, it is true that the some of the documents that have been seized reveal that some of these remittances were coming from Singapore.

SHRI E. K. NAYANAR : My second question is whether tokens were issued by these racketeers which they got from Singapore and Malaysia and whether some Coimbatore mill owners were connected with this racket business; also whether the Enforcement Directorate showed that the recipients are in Kerala alone, and how many of them are indulging in this in the Trichur, Olavakkot, Varkala and Palghat area. I got information some days back that fake notes

worth Rs. 11 lakhs were seized from the border area of Coimbatore and Palghat. I happened to see some officers and enquired about it and they—(Interruption)—It is a very important point, Sir. Is it a fact that fake notes worth Rs. 11 lakhs were confiscated by the Directorate officials from the border of Coimbatore and Palghat? Is it also a fact what they have connections with some big business people who reside in Calicut, Badagara and Kasergod in Kerala and now they are connected with the ruling Congress in Kerala? May I know whether the Government is aware of the involvement of some big businessmen who have connections with smugglers before July-August 31, and are now actively connected with the ruling Congress? How is the Government going to unearth this racket without taking any political interference in this matter?

SHRI RAM NIWAS MIRDHA : As I just now stated, these raids were carried on in Coimbatore, Palghat, Madurai and Erode and the premises of some business houses were searched in Coimbatore and some documents were seized. As regards the recovery of notes from the border areas, I have no information because it is not connected with this case.

THE PRIME MINISTER, MINISTER OF ATOMIC ENERGY, MINISTER OF HOME AFFAIRS AND MINISTER OF PLANNING (SHRIMATI INDIRA GANDHI) : May I add that political considerations do not come in the way of the administration of justice?

SHRI E. K. NAYANAR : Some big business houses belonging to the Congress were connected with this smuggling.

DR. RAM SUBHAG SINGH : There is bungling and actually there is no administration there.

SHRI E. K. NAYANAR : I would like to know whether you would take action against the foreign exchange racketeers.

SHRIMATI INDIRA GANDHI : As I have just stated, political considerations will not be allowed to come in the way or to interfere with the administration of justice, whether it is with regard to foreign exchange matter or any other matter.

SHRI P. P. ESTHOSE : Smuggling and fake note printing are industries which are in progress in our country. Recently, one gentleman was arrested in Mundakayyam in Kottavam district of Kerala with Rs. 5 lakhs of fake notes and he is in the lock-up now. Will the Government of India take some stern steps to prevent smuggling and printing of fake notes ?

SHRI RAM NIWAS MIRDHA : The government have been taking a number of legislative and administrative measures to check this type of activity.

SHRI JYOTIRMOY BASU : Rs. 5 lakhs of foreign exchange rackets in two weeks and you say you are taking steps. What a cock and bull story ?

SHRI RAM NIWAS MIRDHA : It is because of our vigilance that we have been able to capture all these people.

SHRI K. LAKKAPPA : Smuggling of foreign goods and currency notes is not a new thing in this country. It has been going on for years. I am told that in Coimbatore alone smuggled goods worth Rs. 1 crore were caught recently. Foreign currency is found in the hundis of many temples. Recently, Chinese currency was found in the temple of Lord Krishna in Kerala, which may be the action of Chinese agents who are working in Kerala even in temples. Since the smuggling of foreign goods and foreign currency notes and the printing of fake Indian currency notes is going on in Kerala and Tamil Nadu and since certain religious institutions and certain *mutts* are found to be the culprits, will the government take stern action against the *mutts* and religious institutions to unearth the whole thing ?

SHRIMATI INDIRA GANDHI : Yes, Sir, stern action will be taken whenever any such cases come to our notice.

SHRI SRADDHAKAR SUPAKAR : The question did not relate to any particular period of time. But the answer relates to the period 18th June to 2nd July of the current year. May I know whether smuggling business was being carried on an extensive scale even prior to June, 1970 and, if so, what were the actions taken in respect of those transactions ?

SHRI RAM NIWAS MIRDHA : Of course, raids to take place from time to time. But more particulars cannot be given unless notice is received.

श्री यमुना प्रसाद मंडल : यह प्रसन्नता की बात है कि केवल 12 दिन में अर्थात् 18 जून से लेकर 2 जुलाई तक रेड के 20 केसेज पकड़े गये, मैं समझता हूँ कि यह बहुत संतोषजनक है तो क्या सरकार हिन्दुस्तान के और हिस्सों में भी इसमें और प्रगति लाएगी ।

श्री राम निवास मिर्धा : सरकार हमेशा प्रयत्न करती है कि इस तरह की देखरेख और ऐसे मामलों को पकड़ने की जो सरकार की योजना है वह ज्यादा से ज्यादा बड़े पैमाने पर चले और उसके नतीजे भी अच्छे निकलने लगे हैं ।

श्री राम चरण : मैं प्रधान मन्त्री से पूछना चाहता हूँ कि क्या इनके पास इस प्रकार की कोई शिकायत आई है कि यहां एक इंटर-नेशनल गैंग है जो बाहर से पेपर इम्पोर्ट करके और उसे प्रिंट करके इस प्रकार से नोट स्मगिल करता है ? क्या इनके पास ऐसी शिकायत आई है ?

MR. SPEAKER : Here the question is very specific. But he is asking a general question.

SHRI P. GOPALAN : In recent months foreign exchange racket as well as smuggling activities are on the increase in some parts of our country like Kerala. I would like to have a specific answer from the Minister whether these smugglers and racketeers are enjoying any type of political patronage of any political party.

SHRI RAM NIWAS MIRDHA : As was stated earlier by the Prime Minister, no consideration of a political nature is given in any case.

SHRI P. GOPALAN : The Minister is making a general statement whereas I have asked a specific question. I have not asked the Minister whether political considerations come in the way of taking action against

any person. I have specifically asked whether the Government have gone into this matter whether any political party is supporting this racket.

SHRI RAM NIWAS MIRDHA : No facts have come to the notice of the government which would connect these incidents with any political party or person.

SHRI P. GOPALAN : Will you try to find out the position or are you sure ?

SHRI RAM NIWAS MIRDHA : Very sure.

**Proposal to Hand over Four Dakota
Operated Routes to Private
Operators**

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*422. **SHRI KOLAI BIRUA :**
SHRI NARAYANAN :
SHRI MAYAVAN :
SARI N. R. LASKAR :
SHRI DHANDAPANI :

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether it is a fact that Government have taken a decision that four uneconomical Dakota operated routes flown by the Indian Airlines will be given to the private operators ;

(b) if so, the reasons for this decision ; and

(c) what was the total loss suffered by the Indian Airlines in operating the said routes ?

THE DEPUTY MINISTER IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (DR. SARAJINI MAHISHI) :

(a) and (b). No, Sir. On the contrary, Indian Airlines have decided to continue operating these services even though they are uneconomic.

(c) The loss during the year 1968-69 is estimated at Rs. 48.95 lakhs.

SHRI KOLAI BIRUA : May I know whether the Union Ministry is considering alternative plans for operating enough flights on the routes Bombay-Surat, Kolhapur-Sholapur and Gorakhpur-Patna-Muzaffarpur instead of giving these routes to private operators and, if so when the final decision taken in this regard is likely to be taken ? Secondly, I would like to know how much revenue was earned by the Indian Airlines by operating these routes in the years 1967-68 and 1968-69.

MR. SPEAKER : How does it arise out of this question ? His question was whether it is a fact that Government have taken a decision that four uneconomical Dakota operated routes of the IAC will be given to private operators.

Now you are asking about operation of air services on other routes.

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH) : As far as I have understood the question, it is about other routes to the ones which I have already referred. I think the hon. member is asking whether there is any proposal to operate these Dakotas on certain other routes. Now, about these other routes, so far, they are not covered by air services at all and the Indian Airlines do not have any proposal to start new additional services. The whole point is that these Dakotas are extremely uneconomical. In fact, we are gradually replacing them. Therefore, to start new Dakota services will not be possible. However, if private parties are interested in routes on which the Indian Airlines do not operate, under the Air Corporation Act, we shall certainly consider their suggestions.

SHRI N. R. LASKAR : May I know from the hon. Minister whether it is not a fact that most of these Dakotas have become obsolete by now and, if so, whether they are going to replace them by other aircraft so that these services become economical ?

DR. KARAN SINGH : Obviously, it is our intention to replace them with our new purchases of planes, including the HS-748 from Kanpur. They are the planes which will gradually replace Dakotas.

SHAI MANUBHAI PATEL : Is the Government going back on its policy of nationalising air services both under Indian Airlines Corporation and Air India ? The hon. Minister just now states that if private parties come forward to operate on certain routes which are not covered by them, they will consider their case. May I know whether the Government is revising its policy and giving some routes to private parties.

DR. KARAN SINGH : No, Sir. There is no question of revising the policy. When the Air Corporation Act was passed, there was a specific provision that certain routes can continue to be operated by private parties. That is the existing thing and it