

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M. R. JANARTHANAN): (a) and (b) A consignment consisting of 55.4 Mts. of poppy seeds, Munacca, Badam Giri, Pista and textile material collectively valued at Rs. 69,98,060/- was seized by the officers of DRI Regional Unit, Amritsar at Attari Railway Station on 20.6.1998, on the basis of a specific information. This consignment which had arrived by Samjhauta Express on 18.6.1998 from Pakistan was intercepted by the Officers of DRI, Regional Unit, Amritsar on 19.6.1998, after these had already been cleared from the Customs areas. An receipt of certain complaints about the involvement of some Customs officers in allowing the clearance of these goods without proper duty & penal action, the investigations have been got conducted by the DRI/Directorate of Vigilance under CBEC. These investigations have revealed some primafacie complicity of some Customs staff posted at Attari Railway Station. One Assistant Commissioner of Customs and 9 officers of the rank of Superintendents & Inspectors have been already placed under suspension for their suspected complicity in the smuggling of said goods.

(c) Considering the various complaints alleging involvement of persons other than Customs officers, CBEC has made a request to the C.B.I. to take up the case for further investigations.

Downgrading of Indian Financial Institutions

2563. PROF. A. LAKSHMISAGAR:
SHRIMATI KAMLA SINHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Standard and Poors, a New York based Rating agency has downgraded some Indian financial Institutions;

(b) if so, what are the details thereof;

(c) what are the reasons for downgrading of these Indian financial Institutions stating the implications involved; and

(d) what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN): (a) to (c) In its press release of November 26, 1998, S & P has affirmed the long term foreign currency rating of IDBI, ICICI and Bank of Baroda at "BB" which is the same as India's sovereign rating. S&P has, however, changed the rating outlook for IDBI, ICICI and Bank of Baroda from stable to negative. S&P in its press release has mentioned that the outlook change reflects S&P concerns which inter alia include continued weakness in a number of key sectors, reduction in asset quality and increase in NPAs. It has expressed the combination of these factors will moderate the financial flexibility of Indian banks and financial institutions at a time when they are seeking to comply with more stringent capital and provisioning requirements recently announced by RBI. IDBI has, however, reported that this change in rating outlook has had only a marginal impact on secondary market trading levels.

(d) Does not arise.

Statement of Managing Director of World Economic Forum

2564. SHRI SANATAN BISI:
SHRI P. PRABHAKAR
REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether government's attention has been drawn to the statement of the Managing Director of the World Economic Forum (WEF) made at 1998 Indian