

ment of Madras was given loan for the execution of the aforesaid projects;

(c) whether the State Government is being asked for the payment of the entire cost of the projects together with the interest on the capital; and

(d) if so, what are the reasons for not giving the entire amount of the Canadian gift for the projects to the State Government of Madras but included in Central resources?

THE MINISTER OF IRRIGATION AND POWER, (DR. K. L. RAO): (a) to (d) A statement giving the requisite information is placed on the Table of the House.

STATEMENT

(a) The Government of India received financial aid as gift from Canada to the extent of 45.7 million Canadian Dollars for the Kundah Hydel Project—Stages I, II and III.

For the Neyveli Thermal Project, the Government of India obtained necessary finance from USSR in the form of interest bearing credit.

(b) All external financial aid received by the Government of India on the basis of projects posed for aid are taken as addition to Central resources. The financing of projects is, however, done in accordance with the policy of assistance in the shape of loans to State Plans in which these projects are included.

(c) In the case of the Kundah Hydel Project (Stages I, II, and III), the Government of India has debited the Madras Government with the cost plus interest.

As far as the Neyveli Thermal Project is concerned, the question of any loan to Madras Government does not arise as the funds are provided by the Centre to the Neyveli Lignite Corporation which is a Central Government Undertaking.

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(d) The policy of the Government of India in crediting all foreign aids and loans received in their account and then granting loans to State Governments and releasing foreign exchange without relating the same to the interest liability and other terms has been with a view to utilise the resources in the Centre to the best overall interests of the country.

SEIZURE OF SMUGGLED GOLD AND WATCHES NEAR BOMBAY

*629. SHRIMATI VIMAL PUNJAB DESHMUKH:

SHRI B. D. KHOBARAGADE:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the officers of the Central Excise Department at Bombay have seized smuggled gold and watches worth Rs. 21 lakhs in Dharamtar Gulf near Bombay in the first week of June, 1967;

(b) if so, what are the details of the raid; and

(c) what action has been taken against the persons responsible for smuggling of these goods?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. C. PANT): (a) and (b) In the early hours of 4th June, 1967 in course of their patrol the officers of the Bombay Central Excise Collectorate noticed a launch approaching the Dharamtar bridge. But before they could reach the place the launch had moved away and thus could not be intercepted. However, on search of the area under the bridge 560 tolas of gold valued at Rs. 55,115 and 14,360 wrist watches valued at about Rs. 20,15,700 were recovered.

(c) The case is under investigation.