

[30 July, 2002]

RAJYA SABHA

both umbrellas and their parts and accessories. Taking into account the representations received, excise duty was exempted on parts and accessories of umbrellas at the consideration stage of the Budget. However, it was decided to continue with the excise levy on umbrellas.

DCA's action against vanishing companies

1427. SHRI K.B. KRISHNA MURTHY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Department of Company Affairs has recently launched proceedings against vanishing companies in the north for capital market frauds;

(b) if so, the names of companies against whom charge-sheets have been filed; and

(c) whether DCA is assisted by SEBI/RBI in tracking such vanishing companies and if so, whether DCA will take up such cases in other regions of the country to instill confidence in the investing public?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) and (b) 229 companies were reported to have "vanished" after mobilizing money from investors through public issues. Prosecutions had earlier been filed against these companies under various provisions of Companies Act, 1956. However, since December 2001, 79 prosecutions have been launched to all over the country under sections 62, 63, 68 and 628 of the Companies Act. Offences under these Sections are non-compoundable, as they carry punishment of imprisonment.

(c) Yes, Sir.

Cases of bank frauds

1428. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that the Central Vigilance Commission (CVC) has suggested speedy action against the large scale and mounting cases of bank frauds in the country;

(b) if so, the details thereof; and

(c) the steps proposed to be taken to give effect to the directive of the CVC?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) to (c) At the instance of Reserve Bank of India (RBI), the Central Vigilance Commission (CVC) had set up a High Level Group to look into certain matters relating to frauds in the banking sector. The Group examined the reasons for the inordinate delay in banks in taking action against the officials involved in frauds and recommended measures required to be taken by banks to reduce the delays and strengthen internal control system including prioritized fast track processing of fraud cases involving Rs. 1 crore and above in which the Chief Vigilance Officers should personally monitor the cases and ensure completion of disciplinary action within four months from issue of charge-sheet, penal action for non-reporting of frauds within the stipulated time frame and departmental action against officials involved in frauds simultaneously with criminal action. The CVC/RBI have issued instructions to banks for implementation of the recommendations of the Group.

Bank branches in west Delhi

1429. SHRI DEVI PRASAD SINGH: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Central Bank of India, Corporation Bank and Bank of Baroda have not expanded their base by opening new branches in West Delhi during the last many years;

(b) if so, the reasons therefor;

(c) the details of brachess of these banks in West Delhi at present and whether these are adequate in view of persisting demand of residents; and

(d) whether Government propose to open new branches of these banks in West Delhi particularly in Vikaspuri and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE): (a) to (d) Corporation Bank has reported that they have 7 branches functioning in