

DR. NAUNihal SINGH: Sir, my first question in regard to exempting the *gram* panchayats from the fee of Rs. 500 has not been answered. (*Interruptions*)

MR. CHAIRMAN: I think we should go to the next question. Question No. 282. (*Interruptions*) Do you want the whole time to be devoted to one question? Do you want the whole hour to be devoted to one question? (*Interruptions*)

श्रीमती सत्या बहिन : हाफ एन आवर डिस्कशन हो इस पर । . . . (व्यवधान) . . .

श्री राम नरेश यादव : आधे घंटे की चर्चा महानगर टेलीफोन निगम पर की जाए । . . . (व्यवधान) . . . पूरे सदन का उससे संबंध है और पूरे देश का भी है । . . . (व्यवधान) . . . इसलिए सहोदय, इस पर आधे घंटे की चर्चा होनी चाहिए ।

.., MR. CHAIRMAN: Is the Minister willing to have a half-an-hour discussion? (*Interruptions*) We will have a half-an-hour discussion. Now, Question ;o. 282.

Violation of provisions of FEFA by Banks

*282. SHRI RAM GOPAL YADAV:†

SHRI SATYA PRAKASH
MALAVIYA;

Will the Minister of FINANCE be pleased to state;

(a) whether it is a fact that the Directorate of Enforcement has recently, issued notices to certain banks suspecting serious violation of the Foreign Exchange Regulations Act;

(b) if so, what are the details there, of stating the outcome of the enquiry if the same has been completed; and

The questions was actually asked on the floor of the House by Shri Ram Gopal Yadav.

(c) what action is contemplated by Government against the Chiefs of the concerned banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) The Directorate of Enforcement has initiated en. qairieis with certain banks in the country lor accertaining the violations of FERA. During the enquiries, the Directorate has come across instances of illegal remittance of foreign exchange equivalent of Rs. 77.93 crores (approx.) through VOSTRO accounts to Standard Chartered Bank, London, GIRO Bank PLC, UK, and Bank of Ireland, Dublin.

Appropriate action under the provisions of FERA will be taken on completion of the enquiries against the persons who violated FERA.

श्री राम गोपाल यादव : सभापति सहोदय, माननीय मंत्री जी ने अपने प्रश्न के उत्तर में यह स्वीकार किया है कि फेरा का वायलेशन करके 77.93 करोड़ रुपए मूल्य की विदेशी मुद्रा देश से बाहर भेजी गई है। यह एक गंभीर मसला है। लेकिन जहां दसों हजार करोड़ रुपए के सिक्योरिटी स्केम जैसा घपला हो तो संभवतः गवर्नमेंट के या मंत्रियों के मन में यह छोटा मामला है। इसलिए इसमें कोई प्रभावी कार्रवाई नहीं हो रही है, ऐसा मुझे प्रतीत होता है। मैं माननीय मंत्री जी से जानना चाहूंगा कि फेरा में वायलेशन कब से प्रारम्भ हुए, डायरेक्ट्रेट आफ इंफोर्समेंट को इसकी जानकारी कब हुई और कब इसकी इन्वेस्टिगेशन को डिटेक्ट किया गया और इस अवधि में जो इन्क्वायरी हुई तथा उसमें जो प्रगति हुई है उसमें कौन-कौन से प्रमुख बैंक अधिकारियों के नाम प्रकाश में आए हैं, कृपया सदन को बताने की कृपा करें?

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Sir, according to our records, these transactions started sometime in February 1991. They were detected in October 1992. Since then the Enforcement

Directorate is pursuing this matter. They have now traced the parties that are involved and after investigations are completed, action will be taken in accordance with the provisions of the FERA.

श्री राम गोपाल यादव : मान्यवर, मेरा जो पहला प्रश्न था उसका पूरा उत्तर नहीं है। मैंने जानना चाहा था कि उनके नाम क्या हैं, जो घपले में इन्वोल्व्ड हों?

MR. CHAIRMAN: Obviously, the Minister cannot straightway give the names.

SHRI SATYA PRAKASH MALAVIYA: Investigations are going on.

SHRI MANMOHAN SINGH: We have already mentioned the names of the banks which are involved. These banks are Stanchart, Indian Overseas Bank and ANZ Bank.

श्री रामगोपाल यादव : मान्यवर, यह जो वित्तीय मामलों में गड़बड़ियों हो रही है, पिछले रिकार्ड से और जो घटनायें घटी हैं उससे यह स्पष्ट है कि इसमें एक ट्रायो काम करता रहा है, जिसमें बैंकों के बड़े अधिकारी जो रिटायरमेंट के बाद उनके बोर्ड आफ डायरेक्टर्स में पहुंचते रहे और मंत्रियों व वित्त मंत्रालय के बड़े अधिकारियों के सगे-सम्बन्धी और कुछ बलालों की एक तिकड़ी रही है, जो वित्तीय अनियमिततायें इस देश में एक सीमा तक करती रही और इस देश को आर्थिक कंगाली के कगार पर लाकर खड़ा कर दिया। अभी माननीय वित्त राज्य मंत्री ने 22 फरवरी को फेरा में व्यापक पैमाने पर संशोधन करने के लिए इस हाऊस में अमेंट-मेंट के लिए विधेयक प्रस्तुत किया था, जिसमें

as many as 39 amendments have been propose

और कुछ अमेंटमेंट्स ऐसे हैं जो रेट्रोस्पेक्टिव इफेक्ट से लागू किए जायेंगे जब यह विधेयक कानून बन जाएगा। ऐसा प्रतीत होता है कि रेट्रोस्पेक्टिव इफेक्ट से इस कानून को अमेंड करने की मंशा यह है ताकि जो अभी तक फेरा के वायलेशन में फंसने वाले थे, उनको बचाया जा सके। माननीय मंत्री जी से मैं जानना चाहूंगा कि संबंधित बैंकों के बोर्ड आफ डायरेक्टर्स में क्या वित्त

मंत्रालय के किन्हीं बड़े अधिकारियों के परिवारीजन जुड़े हुए हैं या वर्ल्ड बैंक से जुड़े हुए लोग जो आम तौर पर इन घपलों में सम्बद्ध पाए गए हैं, उन लोगों का इन बैंकों से सम्बन्ध है, इसलिए उनको बचाने के लिए इस तरह से संशोधन लाए जा रहे हैं?

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, there is no relation whatsoever between these amendments and the present case. I can assure the House that if anybody, howsoever high mighty he may be, is found guilty, he will be appropriately dealt with. Now a question has been raised that a large number of these transactions originated with the Bank for Foreign Economic Relations of the erstwhile USSR.

श्री सत्य प्रकाश मालवीय : माननीय सभापति जी, मैं यह जानना चाहता हूँ कि जो जांच चल रही है, क्या जो रिजर्व बैंक आफ इंडिया है उसके विरुद्ध भी कुछ जांच चल रही है और जो करीब-करीब 78 करोड़ रुपया विदेशी मुद्रा बाहर गई है इस देश से, क्या सरकार को जानकारी है कि इसका इस्तेमाल, देश में जो आतंकवादी गतिविधियां बढ़ रही हैं, उनको मदद करने के लिए किया गया है?

SHRI MANMOHAN SINGH: Sir, the Enforcement Directorate is in the process of investigating all these cases. Beyond that, at this stage I would not like to say anything.

SHRI SATYA PRAKASH MALAVIYA: Sir, please protect me! My question was whether any inquiry is also being conducted against any officer of the Reserve Bank of India. He should say "Yes" or "No". He can't withhold it from the Members of Parliament. ... (Interruptions)...

MR. CHAIRMAN: He is answering.

SHRI MANMOHAN SINGH: Sir, I am not aware of any inquiry against the Reserve Bank. The Reserve

Bank, in fact, is looking into the VOSX.RO accounts of all foreign banks to see that no such irregularities should take place in any other bank.

SHRI DIPEN GHOSH: Sir, what has Deen stated to the Ministry of Finance in reply to this question, in fact, is only the tip of the iceberg. These foreign banks, which are operating in our country, are found to have been indulging in various types of irregularities and *mala fide* activities. Some of them have already been noticed while some other activities are yet to be noticed—they are being probed into. Now, there was an impression given to the people that these foreign banks were bringing foreign exchange here through FCNR and NRI deposits. But the complaint was that these foreign banks were also siphoning off abroad, foreign exchange from our country. This is a fact and it is proved that these foreign banks are siphoning off abroad, our foreign exchange earnings. So I would like to know from the hon. Minister whether the Government has been contemplating to institute a comprehensive inquiry into the activities of these foreign banks, with particular reference to the amount which they have brought from abroad and the foreign exchange that they have siphoned off abroad.

SHRI MANMOHAN SINGH: Sir, the Reserve Bank of India conducts inspections of all banks, including foreign banks. So, I am sure, they would look into all aspects of the problem.

SHRI DIPEN GHOSH: Sir, the Finance Minister knows that in the past the Reserve Bank had inspected the activities of certain banks and it had submitted its report, but the Government had not taken any action. Rather, the Government had taken a lenient view on the plea that these foreign banks were engaged in bringing foreign exchange here from abroad and they were helping our country's economic progress or economic

rejuvenation. That's why my specific point is that these foreign banks are also indulging in siphoning off abroad, foreign exchange from our country; it is not a one-way traffic.

SHRI MANMOHAN SINGH: I have already said, Sir, that any bank which is acting in violation of the laws of this country will be dealt with appropriately. So, there is no question of our winking or tolerating any activities which are inconsistent with the laws in this country.

... {Interruptions} ...

SHRI MENTAY PADMANABHAM: Sir, according to the answer given by the Minister, all the three banks which had violated FERA regulations were foreign banks. It has appeared in some sections of the press that during 1991-92 foreign banks had made huge profits compared to our public sector banks. As against the huge deposit base of our public sector banks and the large number of branches they are operating, these foreign banks, only with a few branches and with a much lesser deposit base, had amassed huge profits during 1991-92. Sir, they had acquired these huge profits by indulging in non-banking practices like portfolio management, etc. So, I would like to know from the hon. Minister whether violation of FERA provisions has also been one of the reasons for these foreign banks to amass such huge profits. This is a simple question which I would like the Finance Minister to answer.

SHRI MANMOHAN SINGH: Well, Sir, I have answered the question. The amount involved in these transactions was Rs. 78 crores. This was an illegal activity, but I do not think it can account for the amount of profit that the foreign banks have shown.

SHRI CHIMANBHAI MEHTA: The Finance Minister has expressed his inability to give the name of the illegal remitters. Remittances to the

banks have been disclosed, but the crux at the question is: who are the illegal remitters? If he is not answering this point, let him answer at least one point as to who received the money in the foreign country and who used it, because Mr. Satya Prakash Malaviya is asking precisely this point, whether this money was used for terrorist activities or not. When was this done, if not in 1991? I am asking this because how we explain foreign exchange utilisation depends on this. Foreign exchange regulations have been violated since long and big people are very much involved in it. There is a nexus between politicians and them. I do not want to go into the details. Barring the leftists, all political parties have supported them. That is another matter. I am not going into it. But be precise in replying (as to when it started, if not in 1991). The foreign exchange banks might have come in, but in 1991 you might have located them. So, I would request you to at least give the name as to who received money there. At least the Minister must tell us this much.

SHRI MANMOHAN SINGH: I have mentioned already that these transactions originated with the erstwhile Bank of Foreign Economic Relations of the erstwhile USSR. I do not want to go into details. It is a question on international relations. Under the Indo-USSR Agreement which existed the moneys were credited to the accounts of this Bank. They had a VOSTRO account. It was a non-convertible account. This bank drew certain moneys in favour of certain banks. They were deposited in the VOSTRO account of some other banks which were convertible. Transfer from a non-convertible account to convertible account was an illegal activity. That how it originated.

SHRI CHIMANBHAI MEHTA:
Who received the money over there?

SHRI MANMOHAN SINGH: We are investigating that.

श्री बिलोकी नाथ जनुबंदी : अध्यक्ष महोदय, मैं आपके माध्यम से वित्त मंत्री से जानना चाहूंगा कि 1951-52 के पहले क्या फारेन एक्सचेंज रेगुलेशन के कुछ मामले नोटिस में आये थे रिजर्व बैंक के और रिजर्व बैंक ने अपनी स्वयं की इन्क्वायरी के उपरांत या फारेन एक्सचेंज रेगुलेशन डिपार्टमेंट के कहने पर कोई कार्यवाही की है ऐसे मामलों में जो कि 1951-52 के पहले के हों और ऐसे कितने मामले हैं?

SHRI MANMOHAN SINGH: Mr. Chairman, this is a general question relating to the pattern of Foreign Exchange Regulations Act before 1991-92. I do submit that I require a separate notice for this.

श्री महेश सिंह साठर : अध्यक्ष महोदय, मैं वित्त मंत्री जी से यह पूछना चाहूंगा कि जो नये रिकार्म्स ये लेकर आये हैं, सो-काल्ड रिकार्म्स इकानामिक पालिसीज में जो अमेंडमेंट ये लेकर आये हैं, फेरा के अन्दर एक पेरलल एक्सचेंज चल रहा है, हवाला के नाम से, इन्लीगल ट्रुडियों के नाम से यहां से पैसे जाते थे बिट लेकर और दूसरे देशों में पैसा मिल जाता था। इन सारे रिकार्म्स से हवाला और ऐसी ऐक्टिविटीज के ऊपर क्या असर पड़ा है और क्या सुधार हुआ है?

SHRI MANMOHAN SINGH: Sir, the economic reforms that we have introduced over a period of time would certainly make a big dent into the operation of the *Havala* market. For example, a large part of remittances that our workers sent from abroad hitherto have gone into the *Havala* market. As a result of the changes in the exchange rate that we introduced last year and improved upon this year, my expectation is that a much larger proportion of these remittances will hereafter flow through the authorised channels and not go into the illegal channels. In the same way because of the action that we have taken to curb the smuggling of gold

and silver by legalising the import of gold and silver, I cannot say that overnight, changes can take place. But, over a period of time, the main thrust of the New Economic Policy is to reduce the scope for smuggling, to reduce the scope for 'havala' operations and to reduce the scope for generation of black money in the country as a whole.

SHRI JAGESH DESAI: Mr. Chairman, Sir, I am happy that the Minister has said that foreign banks and Indian banks are treated at par as regards the steps to be taken. But, in practice, it appears to me that we are soft towards foreign banks. Regarding the private sector lending also, the foreign banks are required to give 15 per cent by 1992-93. But they have not reached it. Some foreign banks are giving interest which is much less than that required by law. If the balance was Rs. 5000 and less, then they were not given any interest, but they were charged service charges. I would like to know whether the Minister will look into it to see that foreign banks and Indian banks are treated in the same manner and whether wherever any defects are there on the part of foreign banks, stern action will be taken so that they may also behave in the same manner as he wants Indian banks to behave.

SHRI MANMOHAN SINGH: Sir, I will look into it.

एशियासेट के ट्रांसपोर्ट की खरीद

*283. श्री सोम पाल : क्या सूचना और प्रसारण मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या सरकार का ध्यान 3 फरवरी, 1993 के राष्ट्रीय सहारा, दिल्ली में "एशियासेट के ट्रांसपोर्ट खरीदने के प्रयास" शीर्षक से छपे समाचार की ओर दिलाया गया है ;

(ख) यदि हाँ, तो इस पर सरकार की क्या प्रतिक्रिया है ;

(ग) भारतीय अन्तरिक्ष अनुसंधान संगठन की अनुमति न होने के बावजूद सरकार यह ट्रांसपोर्ट खरीदने के लिये क्यों उत्सुक है ; और

(घ) इस समय सरकार के पास कितने ट्रांसपोर्ट बेकार पड़े हैं और कब से ?

सूचना और प्रसारण मंत्रालय के राज्य मंत्री (श्री के० पी० सिंह देव) :
(क) जी, हाँ

(ख) से (घ) इनसैट प्रणाली के साथ उपलब्ध ट्रांसपोर्ट का उपयोग किया जा रहा है अथवा विभिन्न राज्यों में क्षेत्रीय सेवा के लिये सौंप दिये गये हैं । हमारा मूल्यांकन रहा है कि एक और ट्रांसपोर्ट की उपलब्धता से अब हमारी आवश्यकताओं को बेहतर रूप से पूरा करने में मदद मिलेगी ।

श्री सोम पाल : सभापति महोदय, मेरे मूल प्रश्न के पिछले दो भाग "ग" और "घ" का उत्तर नहीं दिया गया है । मैं यह जानना चाहता था कि क्या भारतीय अन्तरिक्ष अनुसंधान संगठन "इसरो" ने एशियासेट के अतिरिक्त ट्रांसपोर्ट खरीदने के लिये अनुमति प्रदान कर दी है अथवा नहीं? इसका उत्तर नहीं आया । और क्या उस अनुमति के अभाव में मंत्रालय या दूरदर्शन इस प्रकार के अतिरिक्त ट्रांसपोर्ट खरीद सकते हैं ? इस संबंध में क्या स्थिति है ? अगर वह अनुमति नहीं मिली है तो फिर मंत्रालय इस दिशा में क्यों अग्रसर हो रहा है ? यह मेरा "ग" भाग है जिसे मेरे प्रश्न का भाग "क" माना जाये और "ख" भाग में मेरे मूल प्रश्न "घ" में जो दिया है...

MR. CHAIRMAN: Now, part (to). You ask your second question.

SHRI SOM PAL: Sir, I am just repeating the original question I have