ed the question. He says that the Income Tax Department has got all the details of raw-material, production, etc. He must be knowing how this turn over has been given. He says that none of the figures are available. I would like to know whether he has got the figures of total raw-material and total production. I would also like to know how much excise duty has been attracted and how much income tax has been taken. Has he verified this aspect?

SHRI RAMESHWAR THAKUR: Madam, details are available on the record. If a separate notice is given in regard to any details that are required, we can certainly obtain them from the States. But these details are not available here. *I* will not be able to say about the brand of excisable liquor be-cause it is. a State subject. Naturally, 1 am not in a position to say what are the different brands manufactured anil so on. So far as the revenue aspect of the direct tax is concerned, detailed examination is being done by the local income tax authorities.

THE DEPUTY CHAIRMAN: What I understand from the question is this. If manufacturer are taking out some manufactured goods without paying excise duty then, naturally, the profit will go down and according your tax will also go down. That is exactly what he asked.

Question No. 483.

Provision for auditor-member on the Board of *directors* of Banks and Financial Institutions

*483. DR. SHRIKANT RAMCHAN DRA JICHKAR: Will the Minister of FTNANCE be pleased to state:

(a) whether Government are considering to statutorily provide for an Auditor-Member on the Board of Directors of Batiks and Financial Institutions;

(b) whether Government have studied a similar statutory provision in the U.S.A.; and

(e) if so, what are the datailg thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c) A Statement is laid on the Table of the House-.

Statement

(a) There is no specific provision in the statutes governing the State Bank of Ind in, the nationalised banks and the term lending Central financial institutions for the appointment of Auditor-Members on their Boards of Directors. However, persons qualified as Chartered Accountants are also considered for appointment as non-official directors on the boards of the banks and financial institutions. Ihere is no specific proposal under con-sideratbn of the Government to provide for appointment of an Auditor-Member in the relevant statutes.

(b) and (c) No such study has been undertaken by the Government.

DR. SHRIKANT RAMCHANDRA JICHKAR: Madam, the present system of audit in the banks is by appointment of external auditors and internal auditor?. Now the external auditors audit only the items which are included in the baiancesheet and the profit and loss accounts. Both the external auditors and the internal auditors are either appointed by the bank or . they are employees of the same batik. So they do not report' correctly things which are inconvenient to the bank management. Generally, these things are not reported. Therefore, on the lines of State Eltctrieity Boards where we have an Auditor-Member who is generally a member of the Indian Audit and Accounts Services, would you like to make such statutory provision for appointment of such Auditor-Members? The. reply says, "There is no specific pro-uosal. under consderaticai." J am giving you this proposal. Will the Government give due consideration to this proposal?

श्री दलबीर सिंह : महोदया, माननीय सदस्य का जहां तक प्रश्न है वह इससे भिन्न है । उन्होंने इस क्वेश्चन में पूछा है कि नान ऑफिशियल डायरेक्टर्स कितने हैं और उनकी प्रक्रिया क्या है और क्या सरकार ने ऐसे कानूनों का अध्ययन

किया है । मैं माननीय सदस्य को बताना चाहता हूं कि हमारी जो स्टेट्यूटरी बाडी है नेशनल आडीटर्स की, वे भी हमारे बैंकों का आडिट करते हैं, वे आर० बी० आई० के द्वारा सी० एण्ड ए० जी० के मैम्बर्स होते हैं । उनकी सरणीबद्ध कमेटी बनती है । वे रिकमेंडेशन्स गवर्नमेंट को करते हैं और गवर्नमेंट उसको आर० बी० आई० को भेजती है । आर०बी०आई० उन आडिटर्स को जो सेलेक्टेड होते हैं, उन को बैंकों में भेजते हैं जो आडिट करते हैं । जहां तक इंटरनल आडिट का सावल है, वे इंटरनल आडिट भी करते हैं । जहां तक इस प्रश्न का ताल्लुक है यानी नान आफिशियल डायरेक्टर्स के संबंध में पूछा गया है, माननीय सदस्य ने जो कहा है उस सजेशन को हम देखेंगे कि किस तरह से कैसे हो सकता है ।

डा० श्रीकांत रामचन्द्र जिचकर : मेरा जो प्रश्न है उसका पहला पार्ट ऐसा है— Whether the Government will make statutory provision in the Banking Regulation Act.

I ask my second supplementary. The Minister has replied that they have not made any study about what exists in regard to this matter in the USA. I am sure the Finance Minister knows about this. There is a famous Commission known as the National Commission[1] on Fraudulent Financial Reporting also known as the REED WAY Commission. If the Finance Department would have studied the recommendations of this RE-EDWAY Commission, possibly we could have avoided the stock scam. Now the Finance Department has said in its reply that it has not studied anything that exists in the United States America. My query is whether now they will make a study of the REEDWAY Commission report and thereby benefit our banks.

उपसभापति : फाइनेंस मिनिस्टर साहब, आप बता दीजिए उनको ।

श्री दलबीर सिंह : माननीय सदस्य ने जो कहा है कि क्या इसका अध्ययन करेंगे । तो जो आपने सलाह दी है उसको आप लिखकर मिनिस्ट्री को भेजें, हम उसे देखेंगे । लेकिन अभी हमारी मिनिस्ट्री ने अमेरिका गवर्नमेंट के साथ कोई इस तरह का अध्ययन नहीं किया है ।

उपसभापति : अमेरिका गवर्नमेंट का नहीं पूछ रहे हैं ।

DR. SHRIKANT RAMCHANDRA JICHKAR: This is a famous report. Every banking institution must have studied this report. It is surprising that the Finance Department has given a written reply saying that it has not studied. My point is, make that study. Make your officers study this report.

श्री शांति त्यागी : महोदया, मैं लोक महत्व का प्रश्न कर रहा हूं ।

मैडम, पिछले वर्षों में जो नेशनलाइज्ड बैंक हमारे हैं, उनमें यह परिपाटी रही है कि उनके बोर्डों पर जन प्रतिनिधि डायरेक्टर नामिनेट होते थे । क्या मंत्री जी बतायेंगे कि यह परिपाटी अभी जारी है या खत्म कर दी गयी है ? अगर खत्म कर दी गयी है कि इसका क्या कारण है और यदि जारी है तो क्या यह फरमायेंगे कि कौन कौन से बैंक ऐसे हैं जिनके बोर्डों में जन प्रतिनिधि डायरेक्टर नहीं है ?

श्री दलबीर सिंह : मैडम, वही प्रक्रिया है जो पहले थी । माननीय त्यागी जी ने जो पूछा है, पुरानी प्रक्रिया जो है, वही है लेकिन हम यह प्रयास कर रहे हैं, माननीय वित्त मंत्री जी के साथ एक बैठक हुई है, उसमें एक गाइड लाइन भी तैयार हो गयी है । जहां तक इस प्रश्न का ताल्लुक है, इस बारे में कहना चाहता हूं कि उसमें यह भी कहा गया था कि जो हमारे अलग अलग बैंक हैं, उनमें चार्टर्ड एकाउन्टेन्ट भी नान आफिशियली डायरेक्टर रखा जाय । तो हमारे 20 नेशलाइज्ड बैंक हैं और एसोसियेट्स बैंक 8 हैं, कुल 28 हैं, इनमें 15 में सी०ए० हैं । लेकिन इससे भी आगे यह तय किया गया है कि इसमें एस०सी०/एस०टी० मैम्बर भी होंगे, महिलायें भी होंगी, माइनारिटीज के भी इसमें रखे जाएंगे और इनके साथ साथ दूसरा काइटेरिया यह होगा कि इसमें वीवर्स के भी होंगे, वर्कमैन पार्टिसिपेशन जो करते हैं

वे भी होंगे, एग्रीकल्चरिस्ट भी होंगे और इंडस्ट्रियलिस्ट भी होंगे और डिपोजिटर भी होंगे, । ये सारे क्राइटेरियाज हैं जिनको जल्दी से करके इसको करेंगे ।

श्री रामदास अग्रवाल : उपसभापति महोदया, मंत्री जी ने जो उत्तर दिया है, मुझे आश्चर्य इस बात का हो रहा है कि बैंकों में इतना बड़ा घोटाला हिन्दुस्तान में हो गया और हमने शायद दुनिया के और देशों से, जहां घोटाले हुए, उनसे इस मामले में मुकाबला कर लिया, चाहे विकास में किया हो या न किया हो लेकिन इन घोटालों में उनके साथ मुकाबला कर लिया । लेकिन, क्या सरकार ने इन घोटालों के बाद कोई सबक सीखकर यह प्रयत्न किया है कि इन घोटालों को रोकने के लिए वहां आडिटर मेम्बर रखे जायें या दुनिया के और देशों में जो घोटाले हुए, उसके बाद या उसके पहले, इन घोटालों को रोकने के लिए क्या आपने अपने तौर पर कोई स्टेडी ऐसी की है ताकि ऐसे घोटाले की पुनरावृत्ति न हो ताकि भविष्य में हमारे देश में बैंकों पर लोगों का विश्वास बना रहे ?

श्री दलबीर सिंह : इस प्रश्न का मूल प्रश्न से कोई ताल्लुक नहीं है ।

SHRI GURUDAS DAS GUPTA: Madam, I must admit the valour of the Minister in answering the question. Really he is an extremely courageous man because we are discussing the question of appointment of auditors to the *Board* in the background of the greatest financial scandal that took place in the country in view of the fact that the auditing was totally incomplete. There has been wide spread complaint about the way things . are being audited. If this was not the background the Minister could have been courageous and the answers he has been giving would have been satisfying. But this has relevance to the present situation of banking. There has been a complaint that the auditors are made to sign according to the wishes of the management. There has been a complaint that the auditing has been partial. There has been a complaint that the auditing has been in many ways subjective and this has been proved, Madam, because of the colossal rise in the frauds. There is a Committee on Government Assurances of this House, of which my hon. friend is the Chairman and I am a Member, that had submitted a report and it has stated that fraud is on the rise and one of the reasons for the growing menace of fraud is that the things are not properly audited. Therefore, in the background of this (a) will the Minister feel it necessary to go into the details of the recommendations made in other countries and (b) whether he thinks that the presence, of an auditor-member on the Board shall in many ways strengthen the authenticity of the. audit?

श्री दलबीर सिंह : जहां तक गुप्ता जी का प्रश्न है कि आडिट ठीक से नहीं होता है, यदि स्पेसिफिक किसी आडिटर ने अगर आडिट ठीक से नहीं किया हो . . . **(व्यवधान)**

SHRI GURUDAS DAS GUPTA: What is he saying? There has been a complaint. What is this? He is taking the House for a ride. . . *(Interruptions).* I can give you a number of instances.

THE DEPUTY CHAIRMAN: Guru-dasji, please allow him to answer. You don't allow him to even open this mouth. That is not proper.

बोलिए मंत्री जी । आप बोलिए । आप उनकी तरफ देखकर मत बोलिए । मंत्री जी आप चेयर को एड्रेस करें ।

श्री दलबीर सिंह : यस मैडम ।

जहां तक माननीय सदस्य ने कहा है कि आडिट ठीक से नहीं होता है और आडिटर भी ठीक से आडिट नहीं करते हैं तो मेरे कहने का ताल्लुक यह है कि यदि किसी स्पेसिफिक आडिटर ने गलत आडिट किया हो और उसकी अगर माननीय सदस्य के पास कोई रिपोर्ट हो तो हमारे पास भेजें । अगर हम उसमें एक्शन न लें तब वे कहें । जहां तक सवाल है दूसरे नान आफिसियल डाइरेक्टर्स का, इसमें पहले ही मैं बता चुका हूं कि हम उसमें प्रोसेस कर रहे हैं । इससे हमारा कोई ताल्लुक

ही नहीं है । बाकी जो उन्होंने क्वेश्चन पूछा है उसके लिए वे सेपरेट नोटिस दें, इस प्रश्न से कोई ताल्लुक ही नहीं है ।

SHRI GURUDAS DAS GUPTA: What is this? I only asked whether the Government believes that the presence of an auditor on the Board will strengthen the audit system. For this, he wants a separate notice.

श्री दलबीर सिंह : जो सजेशन दिया है ...(व्यवधान) यह मैंने नोट कर लिया है ...(व्यवधान)

श्री प्रमोद जोशी : अब आप ज्यादा इन्सिस्ट मत कीजिए ...(व्यवधान) एक बार मौनव्रत तोड चुके हैं ।

THE DEPUTY CHAIRMAN: Hon. Minister, what he is. asking is, as you are considering putting SC/ST, Manilas and others, will you consider putting an auditor on the Board? Will you consider it? That is the crux of the situation. That is the main question.

SHRI GURUDAS DAS GUPTA: What is the answer? Why cannot he accept it? Let the Finance Minister say as to why he cannot accept it.

THE DEPUTY CHAIRMAN: He has said it. I heard it. You didn't hear it. He said, "I will consider".

SHRI GURUDAS DAS GUPTA: Why is the Finance Minister not making a commitment?

THE DEPUTY CHAIRMAN: He has said it. Mr Gurudas Das Gupta. Ther are other Memibers in the House who want to ask questions, please.

SHRI RAJNI RANJAN SAHU: Madam Deputy Chairperson, all the banks lay their annual reports on the Table of the House. And the audit report forms a part of the annual report. If we look into the report, it is scanty and insufficient and perhaps this is under the Clause of Secrecy which is being observed by the banks. I would like to know from the hon. Minister — it has been asked in the question whether he would consider appointing an auditor-member on the Board — whether the auditor is having transparency to various accounts of the bank. I would like to know whether there is any proposal ta place the transparent accounts before the auditor and whether the Clause of Secrecy is being amended.

श्री गुरुदास दासगुप्त : सेपरेट नोटिस चाहिए ?

SHRI DALBIR SINGH: Yes, it is a different question. Madam, you just see this question. It is a separate question.

SHRI SHIVAJIRAO GIRIDHAR PATIL: Just now, the hon. Minister said that representatives from various sections of the society are nominated on the Board. . . *(Interruptions). . .*

THE DEPUIY CHAIRMAN: He said it. I think you should ask something other than this.

SHRI SHIVAJIRAO GIRIDHAR PATIL: I would like to know from the Minister what the guidelines are regarding the appointment of such Directors. I am asking this question because without mentioning this I can tell you that there are farmers appointed who are notional, who do not know what the problems of the farmers are. Therefore, I would like to know from the hon. Minister whether they would give guidelines to the banks or to those appointing authorities to ensure proper representation to various -ections of the society including farmers?

श्री दलबीर सिंह : मैंने पहले ही कहा कि गाइडलाइंस पहले तो बहुत कम थीं, लेकिन जब फाइनेंस मिनिस्टर के वहां बैठक हुई—पहले तो ऐसा कोई प्राव-धान नहीं था कि हर बैठक में सी०ए० हों । लेकिन सी०ए० को भी उसमें रखा है ।

इसके साथ साथ महिलाओं का भी उसमें प्रतिनिधित्व नहीं होता था, त हमने महिलाओं को भी रखा है और इस

माइनार्टीज, एस०टी०स० का भी रखा है। इसमें खास करके जो बड़े-बड़े इंडस्ट्रियलिस्ट भी जाते थे, . . . (व्यवधान) इसके अलावा भी एस०एस०आई० यूनिट्स में जो हमारे छोटे तबके के लोग हैं, उनको भी इसमें रखते हैं। सब सैक्सन आफ सोसायटीज के लोग इसमें आयें, ताकि उनको वहां प्रतिनिधित्व करने का मौका मिले। ऐसा नहीं कि बार-बार बड़ा इंडस्ट्रियलिस्ट ही चला जाए, प्राप्त करके उसमें घुस जाए। हमारी जो सारी चीजें बनी हैं, इसलिए बनी हैं कि सभी सेक्शन आफ सोसायटीज को उसमें काम करने का मौका मिले।

श्री शिवाजीराव गिरिधर पाटिल : मैं जानता हूं कि ऐसे लोग हैं, जो नेशनल फार्मर्स हैं और फार्म रिप्रेजेंटेटिव कुछ बैठे हैं। ऐसी स्थिति में आप क्या करेंगे ?

SHRI *DIPEN* GHOSH: Madam, against the background of the bank scam. I would like to know from the hon. Minister whether the Government is prepared to bripg audit of the banks under the control of the CAG? Madam, I wonder. . . . *(Interruptions)* . . .

THE DEPUTY CHAIRMAN: You please *art* a question. Don't wander around.

SHRI DIPEN GHOSH: I wonder if an Auditor-Member on the Board of the bank wiM help in preventing a scam be-cause orsce an auditor becomes a member of the whole, he becomes part of the management. So, auditors must be in-dependent of the management. prom that point of view, I would like to know whether the Government is prepared to allow the CAG to audit banks and whether banks would be brought under the CAG*s audit of account*.

श्री दलबीर सिंह : अभी ऐसा कोई विचार नहीं है।

ताप विद्युत केन्द्रों का अकुशल कार्यकरण

***484. श्री गोपाल सिंह जी० सोलंकी :** क्या विद्युत मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि ताप विद्युत केन्द्रों के अकुशल कार्यकरण के फलस्वरूप विद्युत उत्पादन का लक्ष्य प्राप्त नहीं हो रहा है ;

(ख) यदि हां, तो उसका ब्यौरा क्या है ; और

(ग) सरकार ने ताप विद्युत केन्द्रों के समुचित कार्यकरण को सुनिश्चित करने के लिए केंद्रीय स्तर पर क्या कार्यवाही की है ?

THE MINISTER OF STATE OF THE MINISTRY OF POWER (SHRI KA1P-NATH RAT): *(a)* to (c) A statement is laid on the Table of the House.

Statement

Inefficient functioning of thermal power stations The generation programme vis-a-vis actual generation during the period 1991-92 *and actual generation during* 1990-91 *is as under:—*

Type of Generation	Period 1991-92		(Figures in MU)		
	Programme 1991-92	Actual 1991-92	Actual 1990-91	% of Programme	% of the last year 1990-91
Thermal	211700	208564	186452	98·5	111·9
Nuclear	6850	5585	6244	81·5	89·4