

Houses consisting of 22 member 15 from this House, namely:—

- (1) Smt. Dil Kumari Bhandari
- (2) Smt. Malini Bhattacharya
- (3) Smt. Saroj Dubey
- (4) Smt. Girija Devi
- (5) Dr. Viswanatham Kantithi
- (6) Smt. Sumitra Mahajan
- (7) Shri K. R. Narayanan
- (8) Dr. Kartikeswar Patra
- (9) Dr. Vasant Niwenti Pawar
- (10) Dr. Mahavirsinh Harisinhji Gohil
- (11) Smt. Geeta Mukherjee
- (12) Dr. (Smt.) K. S. Soundaram
- (13) Smt. D. K. Tharadevi Siddartha
- (14) Kumari Uma Bharati
- (15) Kumari Vimla Verma and 7 from Rajya Sabha;

that in order to constitute a sitting of the Joint Committee the quorum shall be one-third of the total number of members of the Joint Committee;

that the Committee shall make a report to this House by the last day of the first week of the Budget session, 1992;

that in other respects the Rules of Procedure of this House relating to Parliamentary Committees shall apply with such variations and modifications as the Speaker may make; and

that this House do recommend to Rajya Sabha that Rajya Sabha do join the said joint Committee and communicate to this House the names of 7 members to be appointed by Rajya Sabha to the Joint Committee."

(V)

"In accordance with the provisions of rule 120 of the Rules of Procedure

and Conduct of Business in Lok Sabha, I am directed to inform you that Lok Sabha at its sitting held on 16th September, 1991, agreed without any amendment to the Wild Life (Protection) Amendment Bill, 1991, which was passed by Rajya Sabha at its sitting held on the 28th August, 1991."

Sir, I lay on the Table a copy each of the Jammu and Kashmir Appropriation (No. 3) Bill, 1991 and the Voluntary Deposits (Immunities and Exemptions) Bill, 1991.

SHORT DURATION DISCUSSION RE. THE AFFAIRS OF THE BANK OF CREDIT AND COMMERCE INTERNATIONAL (OVERSEAS) LIMITED—
Contd.

THE VICE-CHAIRMAN (DR. NA-GEN SAIKIA): Kumori Chandrika Prem-ii Kenia. Time is very much limited.

KUMARI CHANDRIKA PREMJI KENIA: Sir, everybody has spoken for some time. I request that I should be given sufficient time to deal with..

THE VICE-CHAIRMAN (DR. NA-GEN SAIKIA): Sufficient time is not there. Actually for "others" group we have only ten minutes and there are four speakers.

KUMARI CHANDRIKA PREMJI KENIA: Sir, at the outset. I must state that I have been viewing the bitter corporate war between the corporate groups with a numb shock and anger. At a time when the country is facing unprecedented economic crisis the whole corporate sector presents a picture where there is a no holds barred war between Reliance and Bombay Dyeing. This attitude indicates total bankruptcy on the part of the corporate sector as far as commitment, responsibility and awareness of the corporate sector is concerned, to the burning economic problems of the country. Not only that, the Press and media have been converted into tools or instruments to wash their dirty linen in public.

[Kumari Chandrika Fremji Kenia]

Mr. Kulkarni in his speech yesterday stated that the BCCI has been converted into conduit for Reliance. Now, what about the press and media being converted into conduit and why they have to eat a humble pie at the hands of the Press barons?

Sir, the question that I would like to pose here is : Shall we go for breaking off the nexus..... between politicians and industrialists or shall we, by feigning aloofness from the corporate war, in reality strengthen the hands of one industrialist or the other in their mud-slinging match performed in the press and Parliament every day?

The attempt to take up the L&T takeover issue and BCCI in Parliament, where we go through the hair-splitting experience of 'seeing senior politicians becoming 'H.M.V., that is, His Master's Voice, of one industrialist or the other, indeed leaves a bad taste in one's mouth. Is the Parliament forum to be converted into the battleground of the corporate wars and are the politicians to act as pawns in the game of chess played by two warring camps?

Mr. Chairman, Sir, I participate in this discussion with feelings of deep anguish and disappointment.

Coming to the subject of BCCI operations in Bombay, I would like to make a statement very consciously and deliberately that a false bogie of corruption and fraudulent transactions is being raised by certain political parties to destabilise the minority Government of the Congress party. The idea is to create confusion in the minds of the people by propagating lies and falsehood. No doubt several Pakistani bankers were involved in criminal activities of financing the terrorists and using the drug money and fraudulently laundering the money of innocent people all over the world. However, that does not prove anything in India. As far as the BCCI operations in Bombay are concerned, there is not even an iota of proof to suggest that such activities like helping the politicians or using the drug money or financing the terrorists, were conducted. As a matter

of fact, certain political elements are trying to malign our politicians and industrialists by dragging their names in the controversy without any shade of evidence.

Mr. Kulkarni and Mr. Chaturman Mishra cited the example of Reliance World Cup. Mr. Salve took the trouble of telling us in details what sort of arrangement was made at the time of Reliance World Cup. The same incident was related about the Golden Hour project. I know about this project because it was initiated in Bombay. It never took off the ground; it just remained on paper. So these are all false and baseless allegations without any proof, without any substance and without any evidence.

As far as the origin of BCCI is concerned, we are aware that the Janata Government in June 1977 gave permission to open an office here and the so called unsubstantiated allegations emerged at the time of Shri V. P. Singh's tenure as Finance Minister. If Shri V. P. Singh could not take action when he was the Finance Minister what prevented him from taking action when he was the Prime Minister? I raise this point because the level of debate has been hijacked by these people, namely, the Janata Dal and allies, to throw mud at certain politicians and industrialists which is very unfair. 8.00 P.M let me remind the House that the only evidence which has been brought out and which is available is in respect of release of FTS worth US dollars 1,32,000 for which the BCCT was penalised. Let us see what is the reaction of the hon. Finance Minister to all these suggestions and allegations and innuendoes regarding operation of BCCI and its being connected with payments to the Indian politicians and financing terrorists etc. The hon. Finance Minister has made a statement in the House itself that as regards the reports 'alleging payment to Indian politicians and bureaucrats and financing of terrorist organisations by BCCT from the information available from the intelligence agency and the Reserve Bank of India there is no indication of specific instances or any definite information of that nature. Nothing I repeat nothing that impinges on the security of the country has come to the notice of the Government.

I would now like to touch upon a very crucial aspect of the whole controversy, that is, the services of one Mr. Michael Hershman. He has worked for various intelligence agencies. He is an American citizen of dubious antecedents. He has been holding the whole nation to ransom threatening that he will come out with the names of the people who are involved in BCCI transactions. Mr. Michael Hershman has been falsely representing himself as an individual who has been hired by the Government of India. But the Indian Judicial Commission of Enquiry "held in 1987 has established that Mr. Michael Hershman was never formally hired by the Government of India. Only an oral understanding was arrived at between Mr. Bhurelal the then Director of Enforcement, Government of India and Mr. Hershman to make inquiries in USA against some Indian industrialists politicians and some others. I would like to know who are the people financing Mr. Hershman. He has stated that he has been carrying on with the so-called investigations free of charge. Sir, no private detective worth his salt will work free of charge. I would like to request the hon. Minister that he should inquire into the affairs of Mr. Michael Hershman and his associates in India and find out what sort of investigation he is carrying on and who are the people sponsoring and supporting him.

I would like to say something about the role of Mr. Nusli Wadia, in the whole corporate sector war. With folded hands from the august House, I would request him to give up the bitter corporate war and stop this mud-ling-ing. Mr. Nusli Wadia should know that all those people who live in glass houses should not throw stones at others. Mr. Wadia has now become an In' citizen because a CBI case was pending against him. I would like to know what were the facts which made the V. P. Singh Government give him Indian citizenship secretly. I would like to know what are the reasons and why the CBI case against him was dropped. He has 30 front companies in Nepal, Britain, Europe, USA and the Far-East. I would like to know how the Ministry proposes to treat his non-payment of income and

wealth tax for the last 12 years during which period he claimed immunity being a British citizen.

The closure of the BCCI "has come as a great shock to the people the world over particularly the people in Third World countries. A large number of Indian origin have lost all their life-savings. I was told that in United Kingdom alone 40,000 accounts belong to people of Indian origin and in all I was given a figure of 3 billion dollars being lost by the people of Indian origin. We must try and do everything possible to secure justice to thousands of people who are the innocent victims. The British court has refused to grant receivership in this matter and it has suggested that we should all work together to come up with a reconstruction scheme. I would also request the hon. Finance Minister to consider continuance of the BCCI operations on that basis and have a restructuring of the BCCI operations on that basis and have a restructuring of the BCCI. Thank you.

PROF. SOURENDRA BHATTACHARJEE (West Bengal): Banking is something of which I have very little knowledge. The erudition of Mr. Salve regarding banking and other things is completely beyond me. In the very beginning, I would like to be enlightened on one point being a layman. I have heard in this House; I have also read it in the periodicals and the newspapers that the Bank of England did forbid operations of the BCCI. I do not know whether the Bank of England's writ should run even in countries far away, and under what authority, and what special relationship of special authority the Bank of England has in this matter. I have nothing against the decision to stop all the activities of the BCCI, after the procedures and practices followed by that bank came to the knowledge of the Bank of England. That is neat and proper. But here our position is limited. Within the net of BCCI as a whole as a principal body, we find mention of many celebrated names, in Europe, in USA etc. This background has all the more necessitated a clear announcement of the decision of the BCCI Bombay branch. In

[Prof. Sourendra Bhattacharjee]

this connection, I would seek a clarification from the Finance Minister. The report is that—I do not know where the RBI publications are available—the then Governor of the Reserve Bank of India refused to permit opening of a branch of BCCI in Bombay and it has been said that this was set aside by the then Finance Minister I do not know whether normal banking rules had to be overruled and whether it can be done only by the Finance Minister or a decision of the Cabinet is required, and whether without that, it is possible to overrule the explicit decision of the Governor of the RBI, and what really is the procedure in this regard. It goes without saying that the shady character was really inconceivable with a banking institution, and whether it could misutilise its functions and involve itself not only in fraudulent practices but also in many dangerous and shady deals which has become a cloak and the dagger policy. In this respect, I have no particular fascination, for that matter, for this person or that person of the corporate world—we heard at length from Mr. Salve on that point—neither Nusli Wadia nor Reliance Group, Ambanis. I do not know much about them. I only know that they are very controversial people. Mr. Salve assured us—he has intimate knowledge of the matter—that all the businessmen are not crooks. I take his words at their face value. It was not at all necessary to relate the BCCI affair at such a length. Mr. Salve is more knowledgeable about the BCCL He could have enlightened us on the other aspects of the banking operations which are irregular. He chose not to. But that is his affair. My request to the Finance Minister—whether at this stage he is in a position to do so or not, I do not know—would be to clarify whether this Bombay branch had really been involved in shady deals in which the Indian citizens, whether politicians or non-politicians, whether industrialists or whoever else they may be, were involved. What are the irregularities which have come to his notice, *Prima facie*? The special audit is a

different matter. *Prima facie*, what has come to his knowledge? The Reserve Bank of India has authority to enquire into the activities of any bank which is run with clearance from the Reserve Bank of India or any of its subsidiaries. The Finance Ministry cannot issue the clearance. Clearance has to come from the Reserve Bank of India. Therefore, the Reserve Bank of India, under its overall authority, under its residual authority, is in a position to investigate into the working of the BCCI and to get a general outline of its irregular functioning. Then would come the question of apportionment of specific responsibility to the bank authorities and those *who were involved in fraudulent deals* with the bank authorities. So, I would request the Finance Minister to enlighten us; our main interest is to know whether such a reputable bank with a chequered career, had committed some more mischief in its operations. I do not say anything about the question of financing of Pakistani's nuclear experiments or for production of an atom bomb. Perhaps, that was not done on the shores of the Arabian Sea at Bombay. But exactly, what were the irregularities committed by the BCCI? This will have to be more specifically stated by the Finance Minister to enable us to realise the enormities committed by these men. I sincerely hope that, in this case, he may not be as unforthcoming as in the case of price rise.

SHRI SHABBIR AHMAD SALARIA (Jammu and Kashmir): Mr. Vice-Chairman, Sir, the question with regard to the activities of the BCCI has engaged the attention of the hon. Members, and it is unfortunate that we are sharply divided on how to deal with such an institution. Broadly speaking, the activities of the Bank can be divided into two parts. One is, irregularities, if any, that might have taken place in the normal course of business. It is a matter of fact that no bank is having all its transactions which are always regular. Nor is it possible for a banker to know whether the money he is getting is from a legitimate, lawful, source, or, from an unlawful source. It is also not possible for a bank to find that out. Therefore

merely because money has been deposited with a bank by certain customers, by certain persons, businessmen or even politicians,—Jhuge amounts running into billions of dollars—does not necessarily mean that the bank is a fraudulent institution.

But the question which must engage the attention of the House is whether the Bank is engaged in any activities, financial or otherwise, which will have an effect on the defence of the country or on the security of the State. That is a very serious question. The apprehensions expressed in the hon. House have definitely raised a doubt with regard to that part of the activities of the Bank.

Coupled with this, secondary evidence has been sought to be used with regard to the action taken by the Bank of England concerning this Bank. We have a Branch here, in Bombay, and the Bank has branches at other places. The Finance Minister has already said in the Lok Sabha that the Reserve Bank of India is conducting a probe into the activities of the Bank. There is a demand here that a Joint Committee of Parliament,, consisting of Members from both the Houses, should be set up to go into the activities of the Bank. Perhaps, that was not proper. Of course, the mere fact that the Reserve Bank of India is conducting a probe does not preclude another probe by a Joint Committee of Parliament. But now that the probe has been ordered, the House can await the result of the probe by the Reserve Bank of India. This probe is to be made by technical people, from a technical point of view. After this probe, after the report comes to the *fxm*. House, after it is studied, if we (find that there is a prima facie case warranting the setting up of a Joint Committee of Parliament to go into the activities of the Bank, it can be done. On the other hand, if, prima facie, the preliminary enquiry which has been ordered by the Government, through the Reserve Bank of India, does not yield any tangible or reliable or actionable evidence, for any action against the Bank, at that stage, a Joint Committee may not be necessary. 466 RS—9

The third aspect of the matter is, what are we going to do in future? The branches of foreign banks in our country may not have that much of responsibility or concern for the welfare of the country, or, for its security. Therefore, in future, the Government should evolve a policy, after due consideration, in regard to the opening of branches of foreign, banks here. We should decide whether we are going to permit them and, if so, what will be the criteria for giving permission to these foreign banks or foreign institutions to operate in India. For that legislation may be necessary. The Government may think in those terms and the question which engages most the anxious attention of the hon. Members is about the poor depositors in such banks. If this is closed down, they are likely to suffer. Therefore, may the hon. Finance Minister consider such eventualities which may overtake us in future with regard to the deposits made by people in the banks that those are not lost and their hard earnings are not dissipated in such controversies or by such unscrupulous* elements? This is all that I have to say. Thank you, Sir.

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Sir, I have listened with great interest to all the hon. Members who have taken part in this debate on the affairs of the BCCL I had already made a statement on this subject in this august House last month and I had then stated that I had made that statement on the basis of information then available to me. It is well known that everyday one hears new stories about the affairs of the BOCI, what has been going on in its various branches overseas and the last word on this affair is yet to be written. I want to assure this House that we are not interested in hiding anything from this House about the affairs of the BCCL

THE VICE-CHAIRMAN (SHRI M. A. BABY): Hiding any affair.

SHRI MANMOHAN SINGH: We are not in the business of cover-up operations and I assure the House that all the points that have been made on the

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floor of this House, I would have them properly looked into. There are certain aspects with regard to the financial affairs of the BCCI, particularly the affairs of its Bombay branch. On this I have to say that the Reserve Bank of India have appointed a reputed firm of Chartered Accountants to conduct a special audit of all the transactions of the BCCI in Bombay, from the day of its inception. Therefore, the House should have this assurance that if there is any deficiency in the BCCI's Bombay branch, that would be found out *thavgh* this special audit which the Reserve Bank of India has ordered under the powers vested in the monitoring authority of our Sovereign Republic.

I would, however, point out that as for as the functioning of the Bombay branch is concerned, several Members have raised this question as to how this Bank was allowed to come in. I had made a statement on the floor of this House that the Government had given permission to this Bank to open a representative office in 1977. In April 1979 the Government had also decided to recommend to the Reserve Bank that this Bank, should be allowed to open a full fledged branch in India. Before that decision could be implemented, that Government felt and the successor Government then decided not to act on that particular decision of the previous Government. The BCCI persisted with its efforts and in 1983 finally it was decided to give this bank a branch. I want to say that too much is being read into this affair as to why the branch was allowed to come in.

In this context I would like to say that just as the decision of 1979 was taken without any ulterior motives, for the same reasons, I think, one should not read too much into the giving of the licence to the Bank in 1983. And the background is well known to this House. In fact, in 1978 there was a debate in this very House as to why an up and coming third world bank was not being allowed to come in. There was also in-

the Arab countries. All that, I think, led to the then Government in 1979 being persuaded that this Bank ought to be allowed to come in. Similar consideration weighed with the Government in 1983. Now, about what went on between the Government and the Reserve Bank, I think, in all these matters consultations take place, but I can state on the floor of the House that the licence to the Bank was given in accordance with established procedures and therefore, I think, too much should not be read into that particular decision to give this Bank a branch. Since then the Bank has been -under the supervision of the Reserve Bank of India and I would like to inform the House that the Reserve Bank has regularly inspected the Bombay branch. The inspections were with reference to the position as; on 6th April 1984, then again, 22nd February 1986, 7th January 1988 and 26th October 1990. Further scrutinies were made as and when it became necessary. These inspections have revealed that the Bank's Bombay branch has, overall, been run on financially sound lines and that it can pay its depositors in full as and when their claims fall due. Therefore, I think, there should be no fear that the Bombay branch's affairs have been run in a financially unsound manner. The assets and liabilities of this Bank—the position as on the day of closure—is such that the depositors' interests are safe. The Reserve Bank will take care of the interests of the depositors. It is precisely because of our concern with that that the Reserve Bank moved, on the 15th of July, the Bombay High Court for liquidation proceedings. I also take this opportunity to express to all those depositors of Indian origin who may have deposited money in the BCCI's overseas branches that they deserve our sympathy for the malfunctioning of the Bank or for the mismanagement and crooked behaviour of some of the top management. I think these depositors have suffered, and in so far as it lies in our power, I think we will use all our influence to ensure that justice is done to them.

Now, several issues have been raised about matters having a bearing on the security of the country and also the role of the BCCI in laundering black money, drug trafficking and in financing the nuclear programmes of a particular country. All I can say is that our intelligence agencies have been aware of these things and, therefore, there need be no apprehension that we were not aware of such possibilities. But merely because such possibilities existed, merely because such suspicion existed, I think, one should not be led to the conclusion that the Bombay branch ought to have been closed. In fact, on one or two occasions the Reserve Bank specifically considered all aspects of the functioning of the Bombay branch and although, as honourable Members have pointed out, certain affairs of the Bank came in for adverse notice—for example, the Enforcement Directorate noticed that the Bombay branch had violated certain provisions of the Foreign Travel Schemes—I think, from that the Reserve Bank did not conclude that the offences were so grave as to warrant closure of that branch. I would like to take this opportunity to point out that the charge that has been made that the passports that were involved in this particular violation of the Foreign Exchange Regulation Act were forged passports, on enquiry, turned out not to be true. Also the charge that these people were fake pilgrims did not turn out to be true. That is why, although some people were imprisoned under the FERA, I think, when the matter went before the Advisory Board, the Advisory Board took the view that adjudication should take place in the normal course and that these people ought to be released.

Now, all that I want to say is that the Government has nothing to hide in this Particular affair. Grave charges have been made that BCCI has been patronising certain individuals. Names of politicians have been mentioned. Names of bureaucrats have been mentioned. I think Mr. Salve also mentioned a particular case that has appeared in a particular newspaper. "THE INDIAN EXPRESS"

the other day carried a story. I think that its Delhi edition insinuated.

But I am told that the Madras and Bombay editions specifically mentioned me personally, that I was covering up the affairs of the BCCI because my daughter got a scholarship from a society which in turn received a donation from the BCCI. I have explained the position to the other House, and I take this opportunity to explain the position to this august House as well, lest there should be any misunderstanding. I do have a daughter who was a student in the Delhi University. She had a first-class career. Long after I had left the Government of India—I went away to Geneva in 1987—in 1989 she applied for a scholarship from the Oxford and Cambridge Society of India which is a society run by the alumni in India of the Oxford and Cambridge Universities. This Society annually gives scholarships to promising students. My daughter applied for one of these scholarships. She was given a scholarship by a duly constituted selection committee. But, it is true that the BCCI made a donation to that particular Society.

As far as any specific irregularity in my own conduct is concerned, I am willing to abide by the decision of this House. I think I would not be worthy of being the Finance Minister of this country if I allowed that sort of consideration to influence my conduct as Finance Minister. Therefore, I thoroughly repudiate the charge that I am covering up these BCCI affairs because my daughter was given a scholarship by that Society, I am entirely in the hands of this House. Anybody, any leader of the Opposition can investigate this matter as regards my conduct or any favour that might have been shown to my daughter. I am entirely willing to abide by the judgement of the honorable leader of the Opposition.

This is the extent to which, I think, we have taken the public life in this country. I think, India is proud of the great tradition of a free Press. A free press is a great instrument for the successful functioning of a democracy. But, at

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the same time, all these charges are being levied of so many bureaucrats being in the pay of the BCCI, so many politicians being in the pay of the BCCI. I don't hold any brief for anybody. If any information comes to us, we would have it properly investigated. But I submit to the House that the way wild array of charges are being levied, the way in, which the time of this House is being used, I say with all respects, to score debating points on behalf of various business houses; I think, are not good for the health of the democracy in our country.

Our Government is committed to a proper investigation of all the aspects of the BCCI affairs. I have already mentioned that the Reserve Bank would conduct a proper audit. It has already appointed a distinguished firm of chartered accounts.

As regards the security aspect of the matter, our intelligence agencies are aware of these charges, these suspicions. I have myself talked to the chiefs of the intelligence agencies. I would remit to them all that has been said in this House and in the other House so that they can further look into all these matters. With these words, I once again thank the hon. Members who have taken part in this debate.

SHRI SUNIL BASU RAY: I want to ask the hon. Minister if the Government is agreeable to appoint a Joint Parliamentary Committee to probe further into the matter.

SHRI MANMOHAN SINGH: I have already said, I have already instructed the Reserve Bank to do that. I have instructed the Reserve Bank to conduct a special audit of the affairs of the BCCI. As far as the intelligence and security aspects are concerned, the intelligence agencies would look into that. Therefore, I do not feel that any useful purpose would be served by having any further probe at this stage.

SHRI H. HANUMANTHAPPA (Karnataka): The Minister in his reply has said the bank was established under the

established procedures and that was functioning under the direct supervision of the Reserve Bank of India. It was financially sound and the depositors' interests were taken care of. All those things were regularly being supervised by the Reserve Bank. Then what made the Reserve Bank to apply for liquidation of the Bank? When did this malpractice come to its notice? Was the Reserve Bank not aware of the malpractices of the Bank all these years? If it had come to know, why was it keeping quiet all these years?

Secondly, if there were certain incidents which were in the know of the intelligence agencies, what are their findings? Will the Reserve Bank audit alone satisfy so many questions that the Members have raised and that have appeared in the press? Is the Minister satisfied that the Reserve Bank audit alone will answer the conduct of the Bank during all these number of years. The Bank worked under the direct supervision of the Reserve Bank. Will the Reserve Bank audit also satisfy the security risk, the drug paddling and helping the alien countries?

SHRI V. NARAYANASAMY (Pondicherry) : The hon. Finance Minister has stated that no purpose will be served by appointing a IPC in this matter because already it was investigated and through his machinery he has found out that there is no hanky panky. I would like to have an assurance from the Finance Minister that if more particulars come to light will he further probe into the matter through his Ministry and enlighten the House on that matter?

श्रीमती सुषमा स्वराज : उपसभाध्यक्ष जी, वित्त मंत्री जी की बात सुनने के बाद, उनका जवाब सुनने के बाद मुझे एक कहावत याद आती है। हमारे यहां इस तरह यह कहावत कही जाती है— “पंचों की बातें सर भाथे, पर पतनाल वहीं रहेगा।” वित्त मंत्री जी हमारी पूरी बात को बहुत धीरज से सुनेंगे, बड़ी अच्छी तरह समझेंगे और बड़ी शांति से जवाब देंगे, मगर जे.पी.सी. का गठन नहीं करेंगे। इस तरह से कह करके उन्होंने इस कहावत को साबित कर दिया।

SHRI MANMOHAN SINGH: The hon. Member has asked me if this bank was being supervised by the Reserve Bank, then why did the Reserve Bank ask for liquidation proceedings. The Reserve Bank was not supervising the worldwide operations of the BCCL. The Reserve Bank was supervising the affairs of the Bombay branch of the BCCL. This branch has been regularly inspected. Its financial assets and liabilities position, according to these inspections revealed a healthy financial position. Therefore, the question of liquidation came not because the financial position of the Bombay branch was unsound, but because its worldwide operations came under cloud. The Bank of England and other Central Banks and the Camon Islands, where the BCCI is registered, discovered certain other activities of the Bank which warranted its closure. Since the BCCI at Bombay functions as a part of the worldwide network, it became necessary for the Reserve Bank of India, as a measure to protect the interests of the Indian depositors to ask the Bombay High Court to appoint a liquidator. That is the background to the appointment of the liquidator.

The second thing that was asked by the Members was about the information. If any further information comes to my notice, will I have it probed? I assure the House that if any information that becomes available, if any hon. Member has any specific information, I think, he or she can pass on that information to me. We are committed to have everything inquired into, this affair looked into properly by the Reserve Bank of India as well as by the Indian agencies.

MESSAGES FROM THE LOK SABHA

1. **The Cancellation of General Elections in Punjab Bill, 1991**
2. **The Punjab Appropriation (Vote on Account) No. 2 Bill, 1991.**

SECRETARY-GENERAL: Sir, I have to report to the House the following messages received from the Lok Sabha signed by the Secretary-General of the Lok Sabha:

(I)

"In accordance with the provisions of rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha I am directed to enclose the Cancellation of General Elections in Punjab Bill, 1991, as passed by Lok Sabha at its sitting held on the 16th September, 1991."

(II)

"In accordance with the provisions of rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha I am directed to enclose the Punjab Appropriation (Vote on Account) No. 2 Bill, 1991, as passed by Lok Sabha at its sitting held on the 16th September, 1991.

2. The Speaker has certified that this Bill is a Money Bill."

sir I lay a copy each of the Bills on the Table.

THE VICE-CHAIRMAN (SHRI M. A. BABY): Now the House stands adjourned till 11 A.M. tomorrow.

The House then adjourned at forty-one minutes eight of the clock till eleven of the clock on Tuesday, the 17th September 1991.