

the Joshi Committee's several recommendations which are of long-range value for the Indian society?

SHRI AJIT PANJA: Sir, we are aware of the difficulties and responsibilities we have taken into consideration the children viewers also. From the recommendations of the Joshi Committee we culled out 31 points. As you know, Sir, in the final recommendation in the end as it is usually given in this respect, no particular points were given. But we culled out and out of that 25 recommendations have been accepted. We found most of the recommendations have already been taken into consideration while making our programme on T.V. and radio. So far as any particular recommendation in respect of night film is concerned, the hon. Member has not mentioned. While deciding the date, we started it from the 7th April, 1987. As regards the question of examinations of our children, it is there throughout the year. We have started it at 11.30 P.M. Certainly we are expecting that the parents would take care of their children's studies.

MR. CHAIRMAN: At least send them to sleep.

SHRI AJIT PANJA: Therefore, we have to select a time wherein it is expected that children have gone to bed. That is why 11.30 P.M. has been fixed.

SHRI KAPIL VERMA: Sir, in view of the complaints about obscenity and certain other features of these films and that the children manage to see these films, will the Government set up a special machinery consisting of some women workers and some specialists to screen these films from time to time, so that these aspects are excluded from them?

SHRI AJIT PANJA: Sir, as I said earlier, a screening committee is already there which consists of not only officers but also non-official members. We have selected them from disciplines of education, art and culture, women and children welfare, sports and science. Whenever any film is selected, the views of members are

taken into account and thereafter it is screened.

CHAIRMAN: Next Question.

Credit to M/s. Reliance Industries Ltd.

123. **SHRI JASWANT SINGH:** Will
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after the initiation of a CBI enquiry against M/s. Reliance Industries Limited, any institutional or banking credit has been granted to this concern; and

(b) if so, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) A statement is laid on the Table of the House.

Statement

CBI had registered a case on 18.11.85 against the management of Reliance Textile Industries Ltd., Reliance Industries Ltd. and some officials of Govt. of India regarding alleged back dating of Letters of Credit and leakage of information about impending change in import policy.

Banks and financial institutions provide credit facilities to various parties depending on their need based requirements. In the case of larger limits which come under the Credit Authorisation Scheme, prior authorisation of RBI is required. Need-based credit facilities were extended to M/s. Reliance Industries Ltd. by a consortium of banks led by Syndicate Bank after obtaining authorisation of RBI under Credit Authorisation scheme. Registration of a case by CBI does not forbid banks from extending need-based facilities to parties which are necessary for carrying out their operations.

SHRI JASWANT SINGH: Mr. Chairman, Sir, the hon. Minister of State has quite appropriately stated that need-based credit is provided and that it is provided after RBI's authorisation under credit guarantee scheme. On May 29, 1985 the policy for import of PTA was changed and Reliance Industries thereafter opened certain letters of credit, allegations were made about ante-dating

them and in November, 1985, a CBI enquiry was launched. Sir, taking up this aspect of credit being need-based and with RBI authorisation, with your permission, I will just read out some of the RBI's own findings. For instance it says that in granting loans, banks have not made careful assessment of the purpose for which loans have been sought. This information and data is essential for our assessment of the criteria of need-based requirement—Need based requirement of the operating company either for the business trading in yarn or in fabric or for investment purposes have not been obtained." (2) The Managers of the branches knowing that a decision has already been taken at the highest level to finance the company have merely gone through the formality. What highest level. I do not want to take more time by repeating what the RBI itself has found. Just one brief word that the analysis of the information furnished by the bank reveals that loans availed by these 43 companies have not been utilised for the purpose which they said they were to be utilised. Now, this is the RBI's own findings. Therefore, my query is: What follow up action has been taken by the Government of India after the RBI's findings against the borrower, that is, Reliance Industries Ltd. for misusing public funds amounting to a total of around Rs. 60 crores, then against the Bank officials concerned and is any prosecution intended against anybody about this matter which is quite often referred to as the Reliance loan mela?

SHRI JANARDHAN POOJARI: Mr. Chairman, Sir, so far as this question is concerned, it relates to a C.B.I. enquiry against M/s Reliance Industries Limited. Here I would like to bring to the notice of the hon. Member that a C.B.I. case has been registered, investigation is in progress and unless the final report under section 173 is filed in the court of law, I am not in a position to disclose anything to the hon. Member and so far as loan granted in this case is concerned by whom it was granted and whether the guidelines have been followed will be looked into and whatever offences have been committed by officers, all these will be looked into by the C.B.I. and if any

person has committed an offence, he will be prosecuted and action will be taken accordingly.

SHRI JASWANT SINGH: Mr. Chairman, Sir, before I ask my second supplementary, the hon. Minister of State for Finance has asserted that the matter is *sub judice*. The Reserve Bank enquiry has already established a wrong doing and you are saying that on that basis, you are not able to disclose any information. I am somewhat aggrieved about this matter. If you have filed a case, it is a public prosecution and so, I would request you to look into this aspect because you will say that this is my second supplementary, and I won't give you further permission. Please look into this aspect because I am aggrieved about it. If the Reserve Bank has found something wrong, what is there for you to say we can't reveal it? This is an incredible assertion for the Government to make. Now, I go on to my second supplementary. There were two aspects of this loans. Rs. 60 odd crores are taken by the Indian Companies. To the best of my knowledge and information, roughly, Rs. 44 odd crores were then borrowed abroad by some so-called non-resident Indian companies. With your permission, Sir, I would like to read out:

"The R.B.I. directive of Augst 20, 1982 on the subject Loans abroad against securities in India. Clause 10 of this directive reads that authorised dealers abroad, overseas branches, may take as collateral for purpose of granting loans, over-draft facilities to non-residents of Indian nationality, Indian origin etc. The shares and debentures of Indian companies held by non-resident Indians provided such non-resident Indians with R.B.I.'s permission on repatriation basis by remittance on abroad is approved."

Now, Sir, to the best of my information and knowledge, this Rs. 44 crores is granted to these N. R. I. companies without the collateral. I would, therefore, seek from the Minister, would you please clarify what was the collateral provided as security by these non-resident Indians at the time of granting of

the loans and after the grant of the loans, when were the debentures which were supposed to have been provided as collateral actually made available or offered to the bank as security? If that is the case, were these Rs. 44 odd crores of loans not in violation both of Reserve Bank's directive and of the Foreign Exchange Regulation Act and finally, what steps have you taken to recover these non-resident Indians' loans abroad which are in distinct violation of the laws of the land?

SHRI JANARDHAN POOJARI: Sir, at the very outset, I would like to make it very clear that the question is whether, after the initiation of a CBI enquiry against M/s Reliance Industries Limited, any institutional or banking credit has been granted to this concern. On 18-11-85, CBI has registered a case. After that, what type of loans have been given—whether the hon. Member refers to these or whether the hon. Members refer to some other issue? So far as that issue is concerned, I require notice.

SHRI RAJIV GANDHI: If I may just add to that, while I do not want to go into the technicalities of the issue, let it be very clear, if there is any violation of the laws, the regulations and the norms that have been laid down, nobody will be allowed to go free. The cases will be taken to their logical conclusion and Government will not protect anyone found guilty or try to reduce the punishment or anything in any way at all.

MR. CHAIRMAN: Mr. Jaswant Singh, I want to ask you: Are these transactions after the CBI case was registered, the transactions that you stated that the Rs. 44 crores given as collateral to NRI has been used and Rs. 60 crores has been given to the Indian company?

SHRI JASWANT SINGH: According to the RBI report on the subject and the Minister's reply, the CBI case was registered on 11th November. The CBI inquiry was instituted as soon as allegation about backdating of letters of credit was made. On this itself there is a discrepancy between the Government stand or when actually the inquiry

into the backdating of letters of credit was initiated and when the case was registered. They are different altogether.

MR. CHAIRMAN: Your question is that after initiation of the CBI inquiry, the Reliance Industries, etc. have been granted loans or other concessions. Now I want to know if these transactions are before or after the CBI inquiry.

SHRI JASWANT SINGH: The Minister's statement says, "After the CBI registers the case...." The point is, When does the CBI start the inquiry? It starts the inquiry as soon as an allegation is made that the Reliance is backdating letters of credit.

MR. CHAIRMAN: Mr. Minister, has any loan to the tune of Rs. 60 crores on the collateral of Rs. 44 crores of NRI been granted after institution of the CBI inquiry? Can you say that? Otherwise, you can ask for notice.

SHRI JANARDHAN POOJARI: I have said, for that I require notice.

SHRI JASWANT SINGH: The Prime Minister has said that nothing will be hidden. But Government's reply goes counter to all this.

MR. CHAIRMAN: You are referring to a particular transaction. The question is whether it is before or after the CBI inquiry. He does not know and he wants notice. I give the benefit of doubt to the honourable Minister.

SHRI JASWANT SINGH: In the question itself it is about inquiring, not about registering the case. I am deeply apologetic for interfering in this manner. But the question itself is about CBI inquiry, not registering of the case. And the Minister comes forward saying I need notice and you give the benefit of doubt to the Treasury Benches!

SHRI ALADI ARUNA alias V. ARUNACHALAM: I think in this question the order of CBI inquiry is related to the alleged leakage of import policy of the Centre. A long-term import policy was announced on April 12, 1985. Within five weeks a change was announced on

May 29, 1985. Now it is alleged that the change of policy is known in advance to Reliance Industries. I would like to know what the terms of reference of the inquiry are. What are the terms of the inquiry? What is the finding of the CBI inquiry? Is there any pressure group for the announcement of change of policy on May 29 1985?

SHRI JANARDHAN POOJARI: The inquiry relates to the backdating of letters of credit and leakage of information about impending change in the import policy. So far as investigation is concerned, the investigation is not completed. And what amount has been given, by whom it has been given, whether any backdating is there, whether an offence has been committed, all these would be investigated by the CBI investigating officer. And, sir, he will file the final report in the court of law.

MR. CHAIRMAN: Yes, Mr. Gurupadaswamy.

SHRI M.S. GURUPADASWAMY: Sir, I welcome the statement of the Prime Minister that anybody who violates the norms and the conditions will be punished. It is a general statement. Sir, in this particular case, our contention is that there has been a violation. So, the CBI is inquiring into this violation and there have been norms and conditions prescribed by the Reserve Bank of India. They are known to all business firms and still violations take place. That is number one.

Number two: I expected when an inquiry is started a matter like this,—it is an international scandal and the dimensions are very very wide—the Government of India to suspend the officials in the bank who are privy to the whole scandal. Have you done this after you commenced the investigation?

SHRI JANARDHAN POOJARI: Sir, when the investigation is going to be completed, after the offenders are identified, when the *prima facie* case is going to be established, definitely we will take action against such people.

SHRI M. S. GURUPADASWAMY: Norms you are not observing in every case. Let me tell you that. As soon as an inquiry started, there are cases in the past where you have taken action and the officials have been suspended. Have you taken that action in regard to this also?

SHRI JANARDHAN POOJARI: No case has been filed against a particular individual. Now there is an FIR. So far as the CBI is concerned, if the CBI is going to file charges against any officers, definitely we will have to suspend them and we are going to suspend them and the toughest action will be taken under the law.

MR. CHAIRMAN: Yes, Mr. Kulkarni.

SHRI A. G. KULKARNI: Sir, at the outset, I wish to say that I like the statement by the Prime Minister that no discrimination will be made and nobody will be spared if anything wrong has been found. But Sir, I just wanted to check up again with the Minister. The point made out by my friend, Shri M. S. Gurupadaswamy, is that he himself has replied in the Lok Sabha—or a statement by the Finance Ministry, I think—that the CBI case has been instituted already in respect of antedating fraud by certain companies.

Sir, on 22.12.86, I wrote a letter to the then Finance Minister about the Rs. 44 cores brought surreptitiously as the NRI funds about which the Prime Minister has said that nobody will be spared. I am satisfied with that. Mr. V. P. Singh replied on 15.1.87 that suitable action would be taken. I want to know one thing, Sir, you were here when I mentioned that the names like "Lord Ganesh", "Crocodile", etc. have been mentioned and all these names are names of the NRI companies and I also stated that even the name "Venkataraman" is also the name of a deity. So, I wanted to know one thing in this connection. (*Interruption*). What I wanted to tell is that in this case the right answer should have been that the officers would be dealt with. The Rangarajan Committee has brought out the names, not me. Sir, the Rangarajan Committee, which has been appointed by the Re-

serve Bank of India has brought out the details. I demand that these officers, right from the Deputy Governor, who are concerned have to be asked to keep away from the Bank for the time being. Otherwise, the ramifications of the entire matter will not be found out and for that purpose, I would like to know one thing. Whether it is this Company or some other company, the Government has come out many times with the statement that whoever has done such a mischief will be blacklisted and will not be given assistance from the Government of India either in import or in export or any other banking facilities. I would like to know whether the Government of India still stands by that or not.

SHRI JANARDHAN POOJARI: Sir, this issue also is a different issue.

SHRI A. G. KULKARNI: What? How is it different?

SHRI JANARDHAN POOJARI: Sir, this loan is granted to the investment companies and trading companies connected to RIL, that is, Reliance Industries Limited and this is an issue pertaining to the Reliance Industries Limited. So, those investment companies are quite different.

SHRI A. G. KULKARNI: Sir, I am talking of those companies which have invested in RIL. Perhaps you should read the Rangarajan Committee Report.

SHRI JANARDHAN POOJARI: Sir, the question is different. I will need notice. The question is whether we have given any loans after the CBI inquiries into Reliance Industries started. That is the issue.

SHRI A. G. KULKARNI: Right.

MR. CHAIRMAN: Mr. Kulkarni, he says that so far as Reliance Industries Ltd. is concerned, the question asked is only what loans are being given after the inquiry... (Interruptions).

SHRI A. G. KULKARNI: This came out of the Rangarajan Committee Report, how the CBI came into it.

MR. CHAIRMAN: You put a separate question. Yes, Virendra Verma.

SHRI VIRENDRA VERMA: No question, Sir.

MR. CHAIRMAN: Yes, Mrs. Chowdhury.

SHRIMATI RENUKA CHOWDHURY: Sir, I would like to ask only one question and I want a clarification. How much loan was granted in totality? Is it not a fact that following the RBI inquiry, it was directed that the loan be recalled? Has it been recalled in totality and, if not, how much is outstanding? I just want this clarification and that is why I have put a very specific question.

SHRI JANARDHAN POOJARI: Sir, this also is pertaining to those companies and not to Reliance Industries Limited. (Interruptions).

MR. CHAIRMAN: I think we can go to the next question. Yes, Question No. 124.

SHRIMATI RENUKA CHOWDHURY: Sir, this is an evasive answer. (Interruptions) Every time they are doing the same thing and nothing is virtually given. (Interruptions). They are not giving anything that we can base anything further on. Sir, we think further on, Sir, we are being charged that we are making unsubstantiated and nebulous charges and here we are given unsubstantiated answers and unsubstantiated and nebulous replies. (Interruptions).

MR. CHAIRMAN: Please put separate question. Now, Question No. 124.

Candidates with rural background in the Indian Administrative Service

*124. **SHRI SURENDRA SINGH THAKUR:** Will the PRIME MINISTER be pleased to state:

(a) what is the extent of representation of candidates with rural background in the Indian Administrative Services; and