

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

Deterioration of Banking Services and Incidents of Frauds in Banks—Condt.

MR. DEPUTY CHAIRMAN: Now, Mr. M. A. Baby.

SHRI M. A. BABY (Kerala): Thank you, Mr. Deputy Chairman, Sir, for having allowed me this opportunity to take part in this discussion in order to call the attention of this House to the deteriorating condition in the banking sector in our country.

Sir at the very outset, I would like to associate myself with the sentiments and feelings expressed in this House by the previous speakers, who have narrated in detail, at least to some extent, the fraudulent financial dealings connected with the banking services in the country.

I am sorry to say, Sir, that the statement made by the honourable Minister is, unfortunately, a routine statement, a stereotyped statement, which does not show any serious concern about the goings*—on in the banking sector in our country. I do not know whether this is due to any involvement of the Minister himself—I do not want to say so—in these developments or whether it is due to the callous approach of the Ministry in relation to the serious developments in the banking industry.

Sir, before speaking anything about the fraudulent deals, I would like to bring to the notice of this august House, one basic aspect, and that is the very approach of the banks in our country. I do not have any illusion that the banks in our country can be banked upon for improving the condition of our people or for a reasonable management of finances in our country. Before 1969 we were accusing the bank managements and the powers that

be that banks were only helping monopoly houses. And with a big fanfare in the year 1969, banks have been nationalised. Fourteen banks had been nationalised and later on some more have been nationalised. The people started shouting from house-tops that from now onwards banks would follow a new approach. But, unfortunately, what we have experienced is something different. There is no change of approach from the banks even after nationalisation. But instead of banks on their own going into the service of monopoly houses after nationalisation the Central Government exploited the opportunity to control the nationalised banks in such a manner that the help would generally come to such monopoly sections with whom the Central ruling party is having underhand dealings. So this is what has happened after nationalisation of banks. This is the major and basic fraudulent aspect of the banking service in our country.

We have been discussing, of course, regarding the immediate and recent happenings in the banking industry, the banking services. But before going into that what I would like to bring to the notice of this august House, especially with such noted and outstanding financial experts like Mr. L. K. Jha amongst us, is that this basic discrepancy and the bankrupt approach in relation to the management of banks should be done away with. I do not know whether something positive will come out of this discussion or not (Time bell rings).

Sir, before this House itself various fraudulent acts have been brought out earlier. Since 1983 up to 31-3-86, 7177 cases of frauds have been noted down, in which Rs. 138.9 crores are involved. I do not think this brings out the real magnitude of the problem. This is just the tip of the iceberg. So if a more serious and stringent inquiry is made into the dealing, there is no doubt that big sharks can be brought out. Already mention has

been made of the Governments involvements which speaks of self-reliance with reliance notorious case (*Time bell rings*) I do not want to go into that. Sir.

MR. DEPUTY CHAIRMAN: Be precise. There is time constraints.

SHRI M. A. BABY: It is my maiden speech in this session. I hope you will....

MR. DEPUTY CHAIRMAN: It is not your maiden speech. The hon. Member has made several speeches. It is not a maiden speech.

SHRI M. A. BABY: This is my maiden speech in this session. So, the question before us is how to deal with the situation. Now, hundreds and hundreds of cases are pending before the C.B.I. More and more sections of people are demanding that various serious cases should be inquired into by the C.B.I. It is something heartening that at least one institution exists in our country in which people still have faith. Without having much illusion and giving compliments to the CBI, what I would like to request is that rather than burdening the CBI with more and more cases, government may constitute a Central Bank Intelligence Agency. The C.B.I. is already undermanned and they are not in a position to deal with all these cases. - The C.B.I. takes years in the disposition of cases which have been taken up by them. It is not due to their fault, but due to the fact that they are undermanned. Therefore, I would like to request the Central Government to explore the possibility of constituting a Central Bank Intelligence Agency or whatever may be the nomenclature. A separate agency on the lines of the C.B.I. with an assurance that there would be no political interference, should be created so that a free and

fair enquiry can be made, especially in relation to big bank loans that are being given. This is my concrete proposal. I would like to hear from the hon. Minister and the Central Government whether they can take any steps in this direction.

While concluding, I would like to bring to the notice of this House that the Ministry is moving very "efficiently" in relation to dealing with cases of fraudulent nature.

In yesterday's Times of India, a news item appeared from Lucknow. Our very efficient Finance Minister, Mr. Vishwanath Pratap Singh, unfortunately he is not here—stated that more stringent steps will be taken to deal with fraudulent cases in banks. One of the proposals that the Minister has made in his public utterance is that surprise visits and checks will be made in various banks. It is very interesting that the Minister himself announces in advance that surprise visits will be made to unearth cases. In this very statement, it has stated that the Ministry officers and the Union Minister himself propose to make surprise visits. It has been hinted that U.P. will be among the States where Mr. V. P. Singh will make a surprise visit next month. If the Minister had mentioned the exact time and names of the banks for surprise visit it would have been better and those indulging in fraudulent activities would be cautious. These types of efforts will not solve the problem. Within the existing parameters, there should be an in-depth study of this problem and far reaching steps should be taken.

While concluding, I would again repeat that the possibility and feasibility of constituting a separate Intelligence Agency to deal with cases relating to frauds in banks should be explored. -

THE DEPUTY CHAIRMAN: Shri Gopalsamy;

DR. (SHRIMATI) SAROJINI MAHISHI (Karnataka): My name should have been called.

MR. DEPUTY CHAIRMAN: When I called your name, you were not present. So, I called the next speaker. After that, you will be called.

SHRI V. GOPALSAMY: Mr. Deputy Chairman, Sir, scandals after scandals and frauds after frauds have been rocking the banking industry sending shock waves among the public. Sir, since the time at my disposal is very short as you have indicated, I would like to bring to the notice of the hon. Minister some specific cases. First is of a case where honesty was punished. Sir, it is of a leading scheduled Bank of Keraia, the Dhanalakshmi Bank Ltd. where the previous Chairman did a very good job unearthing the frauds committed by important people in the States. What happened? He was threatened. A particular union of bank officers, the Congress (I) bank officers' union threatened him. They tried to pour acid on him. Then they pulled the levers at proper places and he was transferred. For six months, the Chairman's post is kept vacant. For what reasons? Sir, there is another bank, the Bank of Cochin. It was given moratorium and then it was merged with the State Bank of India. Sir, the Minister in his reply to an Unstarred question on 6th August, 1985 said that the financial position of the Bank has been impaired to the extent that the Bank would no longer function as a viable independent unit. What are the reasons? Sir, this is according to the reply given by the Minister. One of the Members of the Board is Mr. A. C. Jose, a former Speaker of the Kerala Assembly who used to be called "Always Casting Jose" because he helped seven times the Government by casting his vote. He was also one of the Members of the Board. Sir, money was given to fictitious persons. Loans were given. Then, what happened? Moratorium was given.

Sir, another shocking news has come in the 'Indian Express' of 3rd April, 1986 under the caption "Massive fraud on Gulf Indians". Sir, I draw the attention of the Minister to this particular news item. It says, "Indian businessmen in the Gulf have been duped by finance agents in Bombay in a well-organised racket that is said to involve at least Rs. 10 crores and fictitious accounts in a number of banks in India's Southern State's... Although the entire operation had been in violation of India's Foreign Exchange Regulations Act, it did not hurt the depositors or the banks' units until some agents conspired to defraud the NRIs of new deposits. During the past one year, deposits handed over to touts are alleged to have been credited into accounts operated by the cheats under false pretences using false passports and forged signatures." Sir, these people who have been suffering separation from their families... (Time bell rings) Sir, I have taken only four minutes.

MR. DEPUTY CHAIRMAN: You have taken five minutes.

SHRI V. GOPALSAMY: Sir, I crave your indulgence for another five minutes. I am keeping material for 30 minutes but I will take only five minutes.

MR. DEPUTY CHAIRMAN: There are a large number of banks. A lot of things can be said.

SHRI V. GOPALSAMY: I want to know what action you have taken and whether the Managers of the banks or the staff members of the banks have been in collusion with these cheats in these frauds.

Sir, regarding the bank robberies, somebody says that nowadays it is very easier to loot a bank in Bombay than to get a cheque encashed. Why Sir, In the last five and a half years, at least 170 branches of the banks have been looted and cash and gold worth Rs. 833 lakhs taken away by robbers. What action has been taken?

[Shri V. Gopalsamy]

Sir, according to an official survey the bank security system in Bombay' is in a total mess. According to a survey of the 1344 bank branches in Bombay, only 301 branches have armed security guards, about 680 of the branches have unarmed security watchman and 369 branches are unguarded.

I would like to know from the hon. Minister whether the recommendations of the Balasubramaniam Committee have been implemented and in how many banks. Sir, it is very shocking to see that in the year 1986 itself between February 13 and June 9, in Bombay Rs. 25.10 lakhs have been robbed. Sir, on the one side, banks, are being robbed by these robbers. On the other side, people's money is looted by some high-ups with the connivance of bank officials and other high-ups. According to the RBI report, Rs. 3300 crores have been blocked up in financing sick industrial units, numbering 92 thousand SSI and 544 large units by the end of December 1984. Sir, this is the *modus operandi* of these units, which are called sick units. They are in collusion with the bank officials, they manipulate the records to show that it has become a sick unit and they get money. Are you going to get back this Rs. 3300 crores of money? Therefore, Sir I would like to request the hon. Minister to tell us whether he would set up a parliamentary probe into all the write offs and bad debts above a particular amount, say of Rs. 5 lakhs, how these loans were sanctioned, whether they were properly followed and whether proper legal and criminal steps were taken in time to recover these bank dues. Thank you, Sir. I have kept my time.

DR. (SHRIMATI) SAROJINI MAHISHI : Sir, we called the attention of the Government on a very urgent matter of public importance and the Minister in almost all the cases eloquently gives an answer. But the actual result has been in the effec-

tive remedy that is taken up in the field operations. How far in the last one decade effective remedies have been taken in this particular field, i.e. the banking field, specially with reference to remove the deterioration in the banking services and to see that the incidents of frauds are reduced and also to take up adequate steps in the matter.

Sir, as regards the first one, namely, the deterioration in the banking services is concerned, first time in 1970 the Banking Commission was constituted under Shri Manubhai Shah to find out how the banking facilities can be regulated properly and the system of working can be smoothened in the administrative field. I do remember that the Commission went at great length into all these matters and made very effective suggestions regarding the nationalised banks and also other scheduled banks, the commercial banks and indigenous banks, including the co-operative banks. Here we are referring to the entire banking system, how our banking system, banking companies, formed part of the Companies Act earlier, but later on the Banking Companies Act itself was formed and they were separated from them, for the only purpose that banking should be done efficiently, effectively in the country because we are dealing with people's money. But what has actually happened is that the deterioration in the services, as my colleague pointed out from reports and other things, is continuing.

Sir, I had the opportunity of visiting the branch of a bank in South Extension Part II where a robbery had taken place. The Deputy Finance Minister was also there. He was quite helpless. He could not suggest any thing. If the banks are asked to put up their security men, they are not able to do so. In their presence people enter into the bank and they may be in different costumes and different dress. It may be difficult for them to identify those persons. Whatever it may be, the Government has*

not been able to provide adequate safety and security measures. As a result we find that a number of robberies are taking place where accumulated money is carried away by the robbers. People are finding it unsafe to keep the money in the bank as a result. Secondly, the utilisation of the money that has been kept there in the bank, how far it is properly utilised, is also a thing to be seen. An amount of Rs. 85 thousand crores has been deposited in the public sector. As one of my colleagues has said more than Rs. 200 crores are written off as bad debt every year. It shows how the money is being released, and how money is given to people, big houses and other things, that can be seen. The violation of the norms, rules and regulations, laid down by the RBI itself is being done by the nationalised banks can also be seen in the case of release of loans to Reliance and other industrial concerns. I do remember, in 1984-85 annual report of the Reserve Bank of India, it was mentioned that "advances against cotton textiles, including cotton yarn, man-made fibres and yarn and fabrics made out of manmade fibre, including stocks in process, were excluded from the purview of selective credit control, with effect from January 8, 1985. Hence, regulations pertaining to margin requirements, advances against bank debts to a borrower dealing only with aforesaid commodities, purchase or discounting of bills in respect of cotton textiles and related items are not applicable to these commodities. However, the banks were advised to ensure while sanctioning credit that normal prudent banking norms were observed and that credit was not used for speculative build up of inventories." Sir, credit has been used for speculative build-up of inventories and we have discussed this many a time here, not only in case of one particular house but a number of houses. As my friend says, there may be some collusion, some understanding between the officials and the industrial concern.

Secondly, accounts in fictitious names are opened on a very large scale in almost all the banks. Why are these accounts in fictitious names opened? How are they opened? Of course, only the bank officials would know about them and the persons who try to open these accounts in fictitious names, would know. Unless there is a collusion between the two, it is not possible. There are very famous cases of collusion of bank officials in these matters; I need not mention them here. But it is a fact that a number of fictitious accounts are opened and many a time, black money is deposited in these fictitious names and also withdrawn in fictitious names. Thus, there is another side of banking system which is carried on and which is more effectively carried on than the normal banking system.

Thirdly, I would say about the recruitment boards for banking services. The board is there for recruitment of employees to banking services. Now the boards are there, whether regional boards or other boards; they select persons in one particular area and depute them to other areas and to a number of other States also. As a result, class 3 and class 4 employees and also employees of higher class including technicians also, are taken from one particular area. The benefit is not given to the people of that particular area and the recruitment is made from some other area and they are brought to serve a different area. Of course, the Government would say that these are transferable posts and an employee may be transferred from one place to another and there is no restriction that he cannot be transferred to another area. But as a result of this, class 3 and class 4 employees, who should have been selected from that area where they are required to serve, are not selected and people from some other area are brought and thus vacancies are filled up not from local recruitment but from other areas. I learn that in the State Bank of India, in case of selection and pro-

[Dr. (Shrimati) Sarojini Mahishi]

motion of Scheduled Caste employees, no consideration is given to take people from that particular area but are brought from outside on the plea that these candidates are not available locally.

I do not know whether the Minister would say something about NABARD.

When a selection is made, I suggest a list according to seniority should be put up so that people know their position. But instead of putting up the list, they take it up in a casual manner and take people for employment. As a result, the selected candidates do not know where actually they stand. Why should there be this absence of disclosure?

These are the things which are to be looked into by the Ministry and I hope, these discussions will prove very fruitful for creating an efficient and a congenial atmosphere.

3-00 P.M.

श्री सुखदेव प्रसाद (उत्तर प्रदेश) : उप-सभापति जी, मैंने माननीय सदस्यों के ध्याना-कर्षण प्रस्ताव पर बोलते हुए बहुत सारी बातों को सुना और उससे एक चीज मुझे खास तौर से नज़र आ रही थी कि बैंकों में जो कुछ भी गड़बड़ियाँ हो रही हैं, उसकी सारी जिम्मेदारी सरकार पर है और सिवाय गड़बड़ियों के किसी माननीय सदस्य ने इस बात की ओर ध्यान नहीं दिलाया कि बाहिर इन बैंकों के जरिए कुछ गरीबों का, या कुछ दूसरों का लाभ भी हुआ है। मैं इस बात को साफ तौर पर कह बूना चाहता हूँ कि संयोग से मैं उस समय भी इस सदन का मੈम्बर था जबकि बैंकों का नेशनलाइजेशन नहीं हुआ था और जब नेशनलाइजेशन हुआ उस समय भी मैं इस सदन का मੈम्बर था और आज भी हूँ। लेकिन मैं पहले जमाने की बात को देख करके और आज के जमाने की बात को देख करके इस निष्कर्ष पर पहुँचा हूँ कि नेशनलाइजेशन के पहले बैंकों की गरीबों, हरिजनों और आदिवासियों के लिए क्या कटौतियाँ थी और बैंकों का क्या कर्तव्य था, किसी का ध्यान नहीं था। लेकिन आफ-

टर नेशनलाइजेशन जिस तरीके से धीरे-धीरे गरीबों को इससे सहायता मिलने लगी और गरीबों को काम-काज का एक अवसर मिला उससे उनकी हालत में सुधार चला जा रहा है। मैं एक हरिजन होने के नाते मैं खुद अपने गांव की बात कहता हूँ, शहर की बात तो जानें दीजिए, जिसके पास एक इंच भी जमीन नहीं थी आज वे अपने पास गाय-भैंस रख करके अपने परिवार को पाल रहे हैं। जिसके पास कहीं कोई ठिकाना नहीं था आज वे भी बैंक से कुछ न कुछ लोन लेकर अपने रोजगार को चालू किए हैं और उनको अपनी रोजी-रोटी मिल रही है। श्रीमन् मैंने इस बात को कभी महसूस नहीं किया था कि कभी हम लोगों के भी ऐसे दिन आयेंगे और जबकि हमको इन बैंकों के जरिए लोन मिलेगा। हम तो उन लोगों के चंगुल में फंसे हुए थे जो कि महाजन थे और जो कि एक रुपये का रुवा रुपये जोड़कर साल में ले लेते थे और हम देखते रह जाते थे। लेकिन आज हमको बैंक की सांस मिल गई है और देश के उद्योगियों को भी सांस लेने का अवसर मिल गया है और वे अपना कारोबार चला रहे हैं। श्रीमन्, मैं एक बात की ओर जरूर ध्यान दिलाना चाहूँगा कि आज जगह-जगह बैंकों की शाखाएँ और प्रशाखाएँ खुल गई हैं। ताकि देहात में गरीबों को ज्यादा दूर नहीं जाना पड़े और उनको वहीं पर सहायता मिल सके। एक बात और, जिसकी ओर बहुत से माननीय सदस्यों ने ध्यान आकृष्ट किया है वह है बैंकों में इस समय सफ्टी का अरेंजमेंट बहुत नाकाफी है। मैं यह चाहूँगा कि कम से कम एक-एक स्काड जहाँ भी आपको बैंक है वहाँ पर गर्दामेंट तैनात करें जो कि उन बैंकों की हिफाजत कर सके, मैं देहात की बात क्यों कहूँ जहाँ पर कि बिल्कुल असुरक्षा है, मैं तो शहरों की बात कह रहा हूँ जहाँ पर कि मिलिट्री से रिटायर सिपाही रखे जाते हैं फिर भी वहाँ पर अन्दर घुस करके उस सिक्वॉरिटी गार्ड को भी मार देते हैं; चपड़ासियों को भी मारते हैं तथा मैनैजर्स को धमका कर सारा रुपये उठाकर लेकर चले जाते हैं। जहाँ तक रुपये का प्रश्न है और इस तरीके से क्राइम की बात है वहाँ पर सिक्वॉरिटी का होना बहुत जरूरी है। मैं चाहूँगा कि माननीय मंत्री जी इस ओर ध्यान देंगे और रुपये तथा कर्मचारियों की सुरक्षा की भी व्यवस्था करेंगे।

श्रीमान् मैं एक बात और निवेदन कर देना चाहता हूँ। हमारे बहुत सारे साथियों ने जिक्र किया था कि जो बैंकों से कर्ज लेकर मवेशी खरीदते जाते हैं और बहुत सारे मेलों का उन्होंने जिक्र किया, लेकिन होता क्या है कि उसमें मवेशी दूर-दूर से आते हैं और एक जगह इकट्ठे होते हैं। जो प्लानिंग डिपार्टमेंट है ब्लाक के प्रमुख और उसका जो एडीओ होता है और उसमें फिर डाक्टर और जो मेला लगाने वाले होते हैं, इन चारों का कंटीन्यूशन उसमें होता है। होता क्या था कि जो उस समय हरिजनों को सबसिडी मिलती रही उसको वहाँ के दूसरे लोग बांटकर ले जाते रहे, लेकिन कर्जा हरिजनों के पास रह जाता रहा। हालांकि वह चीज अब बंद हो गई है और दूसरे तरीके से चलने लगी है। होना यह चाहिए कि वे कर्जा स्वयं ले और अपनी इच्छानुसार अपनी ढंग के मवेशी खरीदकर लायें और लाकर वे अपना गुजारा करेंगे। यह सब से अच्छी बात होती। दूसरी चीज, मैं जो कहना चाहता हूँ, वह यह कि बैंकिंग सर्विस में शेड्यूल्ड कास्ट्स और शेड्यूल्ड ट्राइब्स के रिजर्वेशन पर ध्यान देना बहुत जरूरी है क्योंकि अभी हम लोगों ने कई एक बैंकों का निरीक्षण किया था एज ए मेम्बर आफ शेड्यूल्ड कास्ट्स एंड शेड्यूल्ड ट्राइब्स पार्लियामेंटरी कमिटी के, उसमें कई जगह देखा थर्ड और फर्थ क्लास की सर्विस में भी इनका आरक्षण पूरा नहीं है। फर्थ क्लास में स्वीपर और स्क्वैजर को जोड़कर कोटा पूरा किया जाता है, जबकि इसका प्रोवीजन नहीं है, इसको अलग रखा जाय। इसलिए मैं चाहूँगा कि हमारे माननीय मंत्री जी इस ओर विशेष ध्यान दें और जहाँ तक एम्प्लायमेंट प्रश्न है, इसको ध्यान में रखते हुए प्रोपर प्रतिनिधित्व देने का कष्ट करें।

इन शब्दों के साथ मैं जो ध्यानाकर्षण प्रस्ताव रखा गया है, उसमें माननीय हमारे जो फाइनेन्स मिनिस्टर हैं, उनकी कर्तव्य-परायणता को देखते हुए मैं इनके प्रति आभार प्रकट करता हूँ।

Shri JANARDHAN POOJARI: Sir, I am grateful to the hon. Members for giving me an opportunity to speak to them about the functioning of the banks. In fact, the entire gamut of the banking sector has been dis-

cussed today. Even if I venture to answer all the points raised by the hon. Members, I do not think the time will permit me to do so. However, I will make an attempt to give replies to the questions of the hon. Members.

I respect the opinions expressed here particularly by the hon. Members who have taken part in this debate. I thank them from my heart because as a national duty they have brought to the notice of the Government some of the important matters which require action. I have been telling, not today but earlier also, that we have waged a war against the inefficiency, lethargy and corruption. It is not the intention of the Government to conceal any facts from the House or to support inefficiency or corrupt people in the banking sector. I can go to the extent of confessing that we are not fit to govern as Ministers, particularly Mr. Poojari, if we are not in a position to fight against these anti-social elements, whether they are in the banking sector or outside the banking sector.

Now, Sir, the hon. Members have made very relevant points regarding the customer service and also the frauds and the dacoities that are taking place in the banking sector. Coming to the customer service, we have to keep in mind that we have got to the tune of 52788 branches throughout the country. About 7 lakh and 77 thousand employees are working in the banking sector. In this vast land, in all the corners of the country, this banking operation is going on with the help of this manual force, we have also to keep in mind that they have to come up to expectation. I do not say that all are bad. I agree with hon. Members when they say that the banking service has been deteriorating. For that action has been taken. Now the position is very clear. It is improving. But we are not at all satisfied. When you raised your voice here and outside Parliament also, we did not keep quiet. We called a meet-

[Shri Janardhan Poojari]

ing of the Chief Executives. We addressed them. Not only the Chief Executives, we went to the banks. And not only to the banks, we called meetings of all the employees at Madras, Bombay, Calcutta and Delhi. Even in Delhi, we addressed 12,000 bank employees; in Calcutta I addressed 7,000 bank employees. And I told them about the feelings of Parliament, how you are concerned about the deteriorating service in the banking sector. Not only that, we have told them that Government is very serious about it. So far as discipline and customer service are concerned, there will not be any compromise. The action is being taken. The Minister has not kept quiet. We moved from place to place. We paid surprise visits throughout the country and we caught them unawares also. We have told them that when the people come for service, the people working at the counter should be there at the right moment and give the best service. Half of the complaints will go if the people working at the counter give service with a smile. Even it is very difficult to get a smile on the face from some of the employees. I paid incognito visits, without the knowledge of the bank employees and waited for hours together. Whatever you have been telling, I fully accept that that has been found there also. Not only that, how the treatment is given to the weaker sections when they come and what is the treatment that is given to rich industrialists when they enter the bank premises— all these things we have studied and we brought them to the notice of the management. We have told them, "if you the bank managers, the Divisional Managers, the General Managers, the Chief Executives, do not have any vices, if you are not having any weaknesses, if you are having clean hands, then you need not worry". But unfortunately what is happening is that the management at the top—some of those people are having weaknesses; they have got

vices. These vices and deficiencies are known to the employees and also some of the union leaders. What is happening is, the result is indiscipline. So I told them, "you must be above board, your hands should be clean; then you need not worry". An hon. Member here wanted to involve me. I am not scared about it because I have not done any wrong.

SHRI V. GOPALSAMY: He withdrew it.

SHRI JANARDHAN POOJARI: Not that. I am not scared about it.

SHRI GURUDAS DAS GUPTA: Sir, on a point of order. Last session I raised the matter. I received a letter from the Prime Minister that the matter is being investigated upon. And since the matter is being investigated upon, why should the Minister concerned make such a statement that I have implicated him. I did not implicate anybody. I did not implicate anybody and I do not want to implicate anybody, but I have produced a confidential report submitted by the Chairman of the United Bank in the Board. And the Chairman has accused the Minister, not I. That is being examined and the letter written by the Prime Minister is with me. I hope the Minister, instead of diverting the issue, shall come straight to the point as to how the high-ups in the Banks are hand in glove with fraud and how, as a Minister, he is going to handle it.

MR. DEPUTY CHAIRMAN: There is no point of order.

SHRI GURUDAS DAS GUPTA: But let him not divert the issue. If he is not afraid, I am also not afraid. Let us take up the whole issue.

SHRI JANARDHAN POOJARI: Sir, with due respect to honourable Members, Poojari will not divert. The point has been made: If you are clean, even if somebody accuses you, even if somebody finds fault with

you, you need not worry. That was the point I was making. Even I told the Bank Chairmen: If you are clean, if you are efficient, you need not worry. That was the point I was making. Even if you accuse me, I need not be seared provided I am clean and I do not have anything to hide.

Now, Sir, what is happening here? We never supported any person. Not only that. We are not going to hide anything from Parliament. Sir, you know the conduct of the Government. Whenever you have made out *prima facie* cases, we have taken action. Not only that. I admire the honourable Members whenever they bring them to our notice—as I said in the beginning itself—that with national spirit they have been doing it and we have to accept it and we have to act on that. But what is happening, unfortunately? With due respect to all I say, when we are acting you are moving from place to place—some people go about—and it is not the question of one State or another. Some Ministers and some people go to the Unions, attend meetings and then say—they do not talk anything about customer service—what is Poojari doing, why is Poojari taking action against you? Because you people are coming here, you are studying, seeing, the pulse of the people, because you are in the field as representatives of the people, as Members of Parliament. When as representatives of the people, as Members of Parliament, you are making a point, I must give serious thought to it and I must act. And when I am acting, all the people should support it. But what is happening in the field when we are taking action?... (*Interruptions*) .. I am just coming to you. Some people, for your information, in the banking sector, when the clients are there, they don't do work. Instead of coming at ten O'clock they come at 10.30 and instead of immediately attending to work they go for chit-chatting and taking tea... (*Interruptions*) ...

SHRI K. MOHANAN: Sir, I am on a point of order (*Interruptions*).

SHRI GURUDAS DAS GUPTA: Is this a point, Sir? .. (*Interruptions*) ..

MR. DEPUTY CHAIRMAN: Mr. Das Gupta, please sit down. I cannot listen to all Members at one time. Let one Member speak.

SHRI M. PALANIYANDI (Tamil Nadu): Sir, Mr. Poojari is correct. I have also been working as a trade union man for the past forty years. In the banks what they are doing is, even though they are trade union people, they are not supporting what the Government is doing and they are unnecessarily raking it up and doing all mischief whenever these people are going there. I know it fully •we.J.

SHRI K. MOHANAN: Sir, I am not concerned about Mr. Poojari or anybody and I am not questioning his sincerity or anything. But the point of discussion here in the House was regarding a fraud and Mr. Gurudas Das Gupta has raised some specific issue before the House. We want a more categorical reply to that from the Minister and not regarding the functioning of the banks.....

MR. DEPUTY CHAIRMAN: The Minister is giving the reply. The Member, got adequate opportunity to express themselves. And now...

SHRI P. N. SUKUL (Uttar Pradesh): The Members have said all sorts of things.

MR. DEPUTY CHAIRMAN. Please, *M.r.* Sukul, I am on my feet.

The Minister must be allowed to complete his speech. If any point he leaves out, then, you can raise it...

SHRI JANARDHAN POOJARI: I have got respect for Shri Mohanan. In fact, I would not have gone out of the way at all. If you kindly see the Calling Attention and the point which the hon. Members have made, it is about the customer service. Otherwise, I would not have raised it at all. So, all the Members have made this point. I am not

[Shri Janardhan Poojari] against. After all, I am answerable if there is anything. You have been criticising. I welcomed it. I did not say, I did not intervene also. I have to receive it.

For your information, I just bring to your notice today the discussion on the IDBI Bill is going on. Yesterday also it was there. The Chairman wanted to go. He had some urgent work. I said, "Nothing doing. You should be here. This is Parliament. This is the voice of the nation. You must give importance to Parliament. They have been making the best points."

After all this is the supreme body. You are also governing the nation.

Now I am just bringing to your notice what is happening in the field also, for that your co-operation is also required. It cannot be done by Government only. All your intention also is to give better service to the people. With this purpose you have made all these points. It should be our efforts to give the best service. And the answer lies here. For that purpose I have been making efforts. Hon. Members will bear with me. As far as the customer service is concerned, at the grass-root level if all the people who are working there will see that there is going to be better service from them, then, there will not be any complaint. Half of the complaints will go away saying that the customers are satisfied. For that who are required? Whose help is required? The people, 7,77,000. If they cooperate, all your complaints will vanish. For that purpose we are making our efforts. We are meeting not only the top people but we are meeting the people at the grass-root level also, and we are convincing them also. We are telling the feelings of the House also and requesting them. "Let us live up to the expectation. Let us work hard."

For that, Sir, first who should give the lead? The Minister should give the lead. Before I ask the employees, I should work hard. I should be above board. I should not be taken even a glass of water. That should be the leadership that should

be given. If there is anything lacking and deficient in my work, I am prepared to accept it. You can bring to my notice. You can condemn me also here. For that purpose we are moving very fast. We have to give this example to our people. After giving our own example, we have to ask them to give better service. We are asking them to work between ten and five. That is sufficient. And we are requesting; an appeal has also been made.

Now I came to another aspect about the dacoities. You have expressed your concern. We also. Primarily it is the duty of the State Governments. The law-and-order situation, that subject is concerning the State Governments. We are not satisfied by saying that. No. We should not shift our responsibility. We have been providing the facilities in the banks as required. We have also identified the banks which are prone to high risk and the banks which are prone to low risk and the ordinary banks which are not vulnerable to such risks. We have given them guidelines also. The hon. Member, Shri Gopalsamy has made a very relevant point when he asked whether the Balasubramaniam recommendations have been accepted. Here I may point out that guidelines have been given but they are not being properly implemented. He is very correct when he said that it is very difficult to encash your cheque but very difficult to get money. To a certain extent I also agree with him. But you don't be under the impression that Poojari is keeping quiet. You may be aware that there are guidelines that the cash cabin should be locked as soon as the Cashier enters the cabin and nobody should be allowed to go inside. But during my surprise visits to most of the Branches I found that nobody locks the Cabin. When asked the reply given was that they forgot to lock the Cabin. After the theft in Ahmedabad I went to the particular Bank. You may not believe it I went inside the Bank cash cabin and I was there for half-an-hour and nobody noticed me. Then I went inside taking the Bank Manager with me. Another person was counting the cash along with the cashier. I went and caught hold of that man. He was shocked.

In Bangalore, at the time of shifting of the Chest at 5 O'Clock I entered the Bank. The armed guard should have been near the shifting place, but he was not there. Even after 2 O'Clock the front door should be closed, but it was not closed. You may not believe it, I just went there and the guard was not standing at the place where he should have been. I caught hold of him. Nothing happened. This is the position. Now, who has to act?

SHRI DIPEN GHOSH (West Bengal): Your physique is not fit enough to catch hold of them.

SHRI RAOOF VALIULLA (Gujarat): That is true. That happened in Ahmedabad.

SHRI GURUDAS DAS GUPTA: I accept the Statement of the Minister and congratulate him, but what a tragedy it is that a Minister has to go and do it. He has no Officers to do it.

SHRI DIPEN GHOSH: Sir there is a complete failure of the system.

SHRI RAOOF VALIULLA: No, it is not failure of the system. Don't put the blame on the Minister. *(Interruptions)*

SHRI JANARDHAN POOJARI: I will come to what actions we have taken after that.

SHRI DIPEN GHOSH: I appreciate your answer, but what I say is that there is a complete failure of the system. *(Interruptions)*

SHRI V. GOPALSAMY: I congratulate you, Sir. You are a super man. *(Interruptions)*

MR. DEPUTY CHAIRMAN: Please don't disturb the Minister.

SHRI JANARDHAN POOJARI: I am answering the points which the hon. Members have raised. If you are not prepared to listen. I don't mind.

So, when the system is like that I just will bring up the points one after another if you want to know.

Now, how can a dacoit or a robber operate? He cannot operate without observing the functioning in the particular bank and planning how he can operate inside the Bank when he commits the offence there.

SHRI A. G. KULKARNI: Oh. Nirmal, you Marxist? have made a problem here.

SHRI RAOOF VALIULLA: They¹ instigate the employees.

SHRI JANARDHAN POOJARI: Sir, when an offence has to be committed, the culprits will come first and observe the normal banking operations in that particular branch. They will see how Cashier of the Bank could be tackled. Where is the chest? How to run away from there. ? All these things these culprits take note of and then plan bank dacoity.

SHRI SUSHIL CHAND MOHUNTA (Haryana): The Minister has taken more than half-an-hour to reply to this discussion. All these things are known to the House.

SHRI JANARDHAN POOJARI: I will make, very relevant points only. I am not making any irrelevant points. Please have patience.

SHRI RAOOF VALIULLA: Mr. Minister please tell them about *modus operandi*.

SHRI LAXMI NARAIN (Delhi): They are experts in these things.

SHRI SUSHIL CHAND MOHUNTA: Are you telling the House the story of a Thriller? You simply reply to those points which have been raised by some hon. Members. Why are you going into all these things?

MR. DEPUTY CHAIRMAN: Mr. Mohunta you cannot dictate to the Minister. Minister knows how to reply.

SHRI JANARDHAN POOJARI: One of these dacoities will be observing the Banking operations before, committing the offence. As soon as somebody enters the bank premises without any job if bank employees are vigilant, they can question him: "why you have entered the bank

[Shri Janardhan Poojari] premises without any job"? They can also ask him "May I help you? Can I do any service for you?". One more thing, Sir, these bank employees can also note down his name and address and pass it on to the police department. What is the role to be played by me, bank employees and our management - I am telling you. I am not hiding anything. We are taking immediate action in this matter. Now, what is happening?

SHRI SUSHIL CHAND MOHUNTA:
Sir, this is something like dialogues in a history book... (Interruptions).

SHRI GURUDAS DAS GUPTA: Sir, he is implicating the bank employees, for the bank dacoities... (Interruptions). Are you telling this House that bank employees are responsible for the dacoities?

MR. DEPUTY CHAIRMAN: Please don't interrupt. Please sit down.

SHRI GURUDAS DAS GUPTA: There is a limit to everything.

MR. DEPUTY CHAIRMAN: Please don't record interruptions.

SHRI JANARDHAN POOJARI: Sir as I said, if the bank employees are vigilant in their premises and some security arrangements are made, these bank dacoities can be avoided. For that we need the cooperation of the bank employees, public and customers also. If we get this cooperation I think we can stop the bank dacoities to a certain extent. Sir, the bank employees and other people are also telling us that there are no proper security arrangements. We have to protect the lives of our bank employees also. There is a substantial point in that. So we have taken some steps. If a bank employee or a security guard or an outsider is killed during an encounter with the dacoities, we will give him Rs. One lakh as compensation to the bereaved family.

SHRI SUSHIL CHAND MOHUNTA:*

SHRI JANARDHAN POOJARI: I am telling the House about the steps which

*Not recorded.

we have taken to curb the bank dacoities. These are some of the measures which we have taken. Now, Sir what is happening. Our bank employees have also started effecting improvement in their work. The same is quite visible. Our bank employees have started offering resistance to the dacoits. They are trying to apprehend the accused. Here is an example. In Pune, in an exemplary way, even before the reward, our bank employees have given a lead to the country. You may or not believe, some of the employees have sustained gun injuries and blood was coming out profusely from those injuries and even in those conditions, they had gone to apprehend these accused. They chased the accused with bleeding injuries. So, Sir, this has worked as an incentive and our bank employees are going one step further even to give their lives to protect the national properties. So, this is one measure. Other measures that we have taken have already been explained in the House in starred questions and in many calling attentions. I do not want to go into the details. The Hon'ble Member Shri A.G. Kulkarni has made a very relevant point. He said, about the loan provisions, he does not have any grievance but he is only worried about the undue advantage taken out by big industrialists out of these loan melas. I am thankful to him and I assure the hon. Member that a thorough investigation will be held in RELIANCE case and nobody will be spared. A high level committee is going into it and the way you have expressed your concern through the starred question and also today. I assure you, will not go without any fruit.

SHRI A.G. KULKARNI: What about the Deputy Governor?

SHRI JANARDHAN POOJARI: Whether he is Dy. Governor, whether he is Mr. Poojari or anybody else, no one will be spared and everything will be thoroughly enquired into and I assure the hon. Member that action would be taken. Another thing you referred to was a C.B.I. case. I have got some information but before I give that, I want to verify it. You also said that it is lying with the

Home Ministry and other* things. Please give me sometime and I will write you after looking into it.

[The Vice-Chairman, Shri Pawan kumar Bansal in the Chair]

Regarding Mr. Gurudas Das Gupta, I appreciate his spirit and please don't be under the impression that we are not going to take action. If you have some more information, you pass on the same to me and I assure you, we will take action.

SHRI GURUDAS DAS GUPTA: Mr. Vice-Chairman, Sir, I appreciate the statement made by the Minister I have put before you a particular case that in spite of this report of the Reserve Bank, the Chairman of the United Bank of India was allowed to continue for another term, what is your reply to it?

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): I will appreciate if you let the hon. Minister continue without interruptions.

SHRI JANARDHAN POOJARI: As you are aware the United Industrial Bank is a private bank and the Reserve Bank appoints its Chairman. The hon. Member has made a very relevant point by bringing this fact to the notice of the Government and we will look into it. Since so many cases have been brought to our notice, No Minister will be in a position right at this moment to give answer. But what I can do at the moment is that I assure the hon. Members that I will write to them regarding the action taken. I will not run away from that. And as I have promised earlier also, we are going to take action.

Now, coming to the "loan mela", I have not stated anywhere that it is "loan mela", I have been saying "loan function"

SHRI V. GOPALSAMY: "Loan leela".

SHRI JANARDHAN POOJARI: In this connection, some hon. Members

have been saying that there is some deficiency and it is not processed properly. Sir in some States, our Government may be there. In some States, Opposition Governments are also there. So far as the IRDP for the weaker sections is concerned, the identification is done by the State Government. Even under the Educated Self-Employment Programme, the task force involved is of the State Government. The identification is done by the State Government, the local authority. And if at all there is deficiency here who is to be blamed? The identification authority particularly in the IRDP and DRDS should be blamed. But we will not shift the burden there also. Whether it is Andhra Pradesh or Rajasthan or West Bengal or Karnataka, the State agencies, when they identify, should be more careful—even the banks. As you are aware, Poojari has not minced words either here or outside Parliament. When you brought to our notice deficiencies in the banks I never defended anybody, when I was convinced that there was some shortcoming. But what had happened?

SHRI KAILASH PATI MISHRA: Sir..

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL):- Let him continue. All the Members have had enough chance to show their piece.

SHRI JANARDHAN POOJARI: I am not yielding. Here to blame only the Central Government or the bank managers is not fair. Whenever there is any deficiency, it is the duty of all of us to see that they perform better. Whenever there is some deficiency found in the local administration, it should be rectified. Even I found it in Andhra Pradesh and immediately I pulled up that person when I saw something lacking in the commitment. I have not spared our bank officials also. Some "halla gulla" was raised in the House because I said something against one Joint Collector. He was

[Shri Janardhan Poojari]

involved in this programme. When I saw something lacking there, I did not spare him. Immediately I said, "You should improve". Sir, for that also I am blamed. If we act, we are blamed. If we do not act then also we are blamed. That should not be the approach. Here also sufficient time is given when we are giving loans to the weaker sections. One hon. Member made the point that deserving people should be given this loan; it should go to the deserving people. Who are the deserving people? The banks are under the impression that "deserving people" means people who are competent to pay back that amount. It is a wrong notion. When you are identifying the person, he should be the poorest among poor men. He should not be in a position to pay back that amount. He should not have any means at all. The bank should give loans under the special programme to him. With the help of the loan, he should generate income. Out of the generation of income, he should feed and maintain his family. He should educate his children. He should come up in life. Out of the income generated, after doing all these things, he should pay back. For him Parliament and the Government have given easy instalments. With the help of these easy instalments, he has to pay back that amount. But what is happening in the field? When the poorest among the poor, the man who is not having any clothes to wear, who is not having sufficient shelter, who is not having even one meal a day comes before you, he is not identified. He is not given a loan saying that that man will not pay back that amount. That apprehension is there. If that is the approach, you are not doing justice to anybody in the country. Therefore, please don't be under the impression that we have to give to a man who is capable of paying it back . . .

SHRI K. MOHANAN: But how is the poor bank employee responsible? It is for the Government..... (Interruptions).

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Now please don't interrupt. All of you had your say.

SHRI K. MOHANAN: This is not an elocution competition. This is a parliamentary forum. I am only asking for some clarifications. What is wrong with that?

THE VICE-CHAIRMAN (SHRI PAWAN KUMAR BANSAL): Well, this is not a Question-Answer Session either.

SHRI JANARDHAN POOJARI: K the honourable Shri Mohanan has got any doubts about it I shall answer them; I can talk to him. Let us discuss the matter. Now, clear directions are there. The guidelines are very clear. The bank employees have to take the right approach. They have got their unions. They should understand the approach of the Government. Yes, we are giving to the poorest among the poor and we will do it. Then only they are going to give a better performance. I do not want to take much time of the House.... (Interruptions) The entire gamut of banking has been discussed and that is why I am answering the points. As I have mentioned earlier, we are making all efforts and we are not going to compromise with inefficiency. And it is a commitment made to the nation by the Prime Minister. Even honourable Members, if they place their hands on their hearts they are also satisfied that the Government is doing its level best to give an efficient and honest administration, and wherever it is there, let us admire it. I am not blaming the entire banking sector. Good people are also there. And blacksheep are also there. Let us identify them. Let us go a step further and serve the nation. Let us all be common partners in this exciting task of nation-building. All of us should sit together, work together and give a better image to the administration.