

**MOTION FOR ELECTION TO THE  
CENTRAL ADVISORY COMMITTEE  
FOR THE NATIONAL CADET CORPS**

MR. CHAIRMAN: Shri Arun Singh—  
absent.

Shri Sitaram Kesri, the Minister of  
State for Parliamentary Affairs can move  
it.

THE MINISTER OF STATE IN THE  
MINISTRY OF PARLIAMENTARY  
AFFAIRS (SHRI SITARAM KESRI):  
Sir, with your permission, on behalf of  
Shri Arun Singh. I move:

"That in pursuance of clause (f) of  
sub-section (1) of section 12 of the  
National Cadet Corps Act, 1984 (31 of  
1948) this House do proceed to elect,  
in such manner as the Chairman may  
direct, one member from among the  
members of the House to be a member  
of the Central Advisory Committee for  
the National Cadet Corps."

SHRI A. G. KULKARNI (Maha-  
rashtra): Sir, I object to his moving the  
motion, and I only want that my objec-  
tion be heard of it is a valid one. Has  
Mr. Arun Singh, the Minister for  
Defence Research and Development given  
you in writing that on his behalf, the  
Minister of State for Parliamentary Affa-  
irs will move. Otherwise, Sir, the Minister  
of State for Parliamentary Affairs has no  
*locus standi* in moving a motion.

MR. CHAIRMAN: Under the rules.  
Mr. A. G. Kulkarni is right. Since it is  
objected to the motion will not be taken  
up.

SHRI B. SATYANARAYAN REDDY  
(Andhra Pradesh): Sir, regarding this  
motion for special mention...

MR. CHAIRMAN. No please. Nothing  
will go on record. We have already had  
half another to 40 minutes on this. I have  
disallowed it.

**CALLING ATTENTION TO A MATTER  
OF URGENT PUBLIC IMPORTANCE—  
deterioration of banking services and  
incidents of frauds in Banks**

श्री जनार्दन पूजित मिश्र (बिहार) : सभा-  
पति महोदय, मैं बैंकों द्वारा उपलब्ध की  
जाने वाली सेवाओं में गिरावट, बैंकों में  
शोषाधड़ी की घटनाओं तथा इस मामले में  
सरकार द्वारा किये गये उपायों की ओर  
वित्त मंत्री महोदय का ध्यान दिलाता हूँ ।

THE MINISTER OF STATE IN THE  
MINISTRY OF FINANCE (SHRI  
JANARDHAN POOJARI): Mr. Chairman,  
Sir, Government have been conscious of  
the need to continually improve the qua-  
lity of services rendered by the Banks to  
their customers. A number of measures  
have been taken to bring about improve-  
ment in customer service of the public  
sector banks. These measures have in-  
cluded evolution of time norms for ren-  
dering all common services, speedier clear-  
ing of cheques through computerisation of  
clearing houses, speedier collection of out-  
station cheques through increasing use of  
special courier services, creation of machi-  
nery for quick redressal of customers'  
grievances and extending to small deposi-  
tors the facility of immediate credit in  
respect of outstation cheques upto  
Rs. 2500/-. It has also been the endeavour  
of the Government to bring about increased  
interface between customers and the bank  
executives with a view to facilitating  
quick redressal of grievances and also  
promoting mutual understanding. Imple-  
mentation of the above measures and  
their impact on the quality of customer  
service are being monitored by the Go-  
vernment and the Reserve Bank of India.  
The National Council of Applied Econo-  
mic Research (NCAER) had undertaken  
a survey of the functioning of Customer  
Service Centres at Bombay, Calcutta Mad-  
ras and Delhi and of customers' views  
about the quality of bank's services at six  
cities on a sample basis. These surveys  
have revealed that about 90 per cent of  
the customers interviewed were satisfied  
with their banks' services. This is an en-  
couraging finding and banks are continu-  
ing their efforts to further improve cus-  
tomer satisfaction.

Government is also conscious of the need to prevent and detect frauds. Banks are making efforts to prevent perpetration of frauds by streamlining procedures and by plugging loopholes. As arrears in reconciliation of inter-branch accounts and inter-bank accounts provide a fertile ground for frauds, banks have undertaken a time-bound programme to reduce the arrears. Steps are also being taken by them to improve house-keeping. Stress has also been laid on preventive vigilance measures as also on detection of frauds. Bank have also been advised to take quick deterrent action against those found involved.

**श्री कैलाश वसि मिश्र :** सभापति महोदय, जिस गम्भीर विषय के ऊपर मैंने मंत्री महोदय का ध्यान आकर्षित किया है सरकार की ओर से जवाब जो कुछ भी दिखायी दे रहा है वह इतना हल्का बना कर हर दिन चलने वाली साधारण प्रक्रिया का उल्लंघन मात्र है। मैं कुछ एक स्टेटमेंट पढ़ कर सुनना चाहता हूँ और कुछ चर्चा करना चाहता हूँ। एम. पी. कॉनकल में 9 जुलाई, 1985 को कहा गया है, केवल चार लाइन की कोटेशन पढ़ना चाहता हूँ जिससे सरकार के ध्यान में यह बात आएगी कि स्थिति कितनी गम्भीर हो गई है :—

Since the day the banks were nationalised in 1969, the efficiency of the banks has gone down. None seems to be satisfied with the present working of the nationalised banks. There is no security in the banks. Looting of banks has become the order of the day. This has naturally led to an erosion of the customers' faith in bank security. If this menace is not checked timely, the day perhaps is not far off when people may again start keeping their cash and ornaments in pits dug in their own houses. Not only that, banking charges are constantly on the increase. Cheques sent for collection take unduly long time causing great inconvenience to the clients, businessmen and others.

बाज बैंकों के अंदर डाफ्ट का फ्राइड बल रहा है और डाफ्ट का पेपर कहां छपता है।

कहीं इधर-उधर की प्रेस पर नहीं छपता है जहां जेनरल डाफ्ट के कागज छपते हैं वहीं से यह कागज छप कर निकलता है। एक नहीं बाज देश के अंदर पचासों ऐसे उदाहरण पड़े हुए हैं। मेरे पास एक पेपर की कटिंग है, आश्चर्य लग रहा है उसे देख कर, अखबार के अंदर छपा हुआ है कि रिजर्व बैंक के अंदर अब फ्राइड चैक्स छपने लगे हैं, गलत नोट भी छपने लगे हैं।

[उपसभापति महोदय पीठासीन हुए।]

क्या यह जो प्रक्रिया बताई जा रही है, उसके अंदर की गम्भीरता केवल इतनी सी, छोटी सी दूरी के अंदर सीमित वह दिखाई देती है। मैं एक चीज कहना चाहता हूँ कि यह जो बैंकिंग प्रणाली देश के अंदर चालू हुई, इसका एक महान नक्षय है, देश के आर्थिक आयाम का, वर्ष चक्कर का एक ऐसा चक्का है, सरकारी खजाने में जो कुछ भी क्षमता हो, उसके अतिरिक्त आम आदमी की आर्थिक क्षमता का उपयोग पूरे देश के आर्थिक विकास के लिए चालू होना चाहिए।

बैंक जब लोन देने का तय करते हैं, तो कुछ गाइडलाइंस उनके लिए रखती हैं। राज्य मंत्री महोदय यहां बैठे हुए हैं—सबसे पहले तो इनको विचार करना चाहिए कि क्या बैंकों से नियंत्रित जाने वाले लोन के लिए गाइडलाइंस का पालन हो रहा है, या नहीं हो रहा है? यदि गाइडलाइंस का पालन नहीं हो रहा तो बैंक कब उसका चेंक करता है? सरकार चेंक करने के लिए कब आती है? जो नक्षय है, परंपरा है लोन देने का, उसकी पूर्ति हो रही है कि नहीं?

महोदय, सदन को मालूम है कि रेलॉयर्स स्कैण्डल की चर्चा बहुत अधिक अखबारों में आ गई है और सरकार का जवाब भी आ गया है। सरकार ने स्कैण्डल को स्वीकार किया है। मैं जरा मंत्री महोदय से पछना चाहता हूँ कि यह स्कैण्डल आखिर हुआ तो किस आधार के ऊपर हुआ? रुपया निकाला जाता है अलग-अलग संयंत्र खरीदे जा रहे हैं, जिस काम के लिए लोन दिया गया, उस काम के ऊपर अगर पैसा नहीं लगाया जाता, उसी समय क्यों नहीं

[श्री कैलाश पति मिश्र]

उसकी बैंकिंग हुई, उसे रोक क्यों नहीं दिया गया, उसको वहीं पर दबा क्यों नहीं दिया गया ? महोदय, कई ऐसे उदाहरण हैं। अब जगत विख्यात उदाहरण है, हीर-याणा के मुख्य मंत्री, श्री भजन लाल जी के धामाद का केस। इन्कवायरी तो बैठी, लेकिन इन्कवायरी का नतीजा क्या निकला ? आखिर यह रुपये बैंक के द्वारा कैसे दिया गया ? एक ही जमीन के ऊपर एक जगह पट्टा दिया जा रहा है, दूसरी जगह पट्टा दिया जा रहा है, तीसरी जगह पट्टा दिया जा रहा है। अब तक उसके ऊपर क्या नतीजा निकला है, क्या हुआ है ?

ऐसे ही मुझे याद है, पटना में एक कोआपरेटिव अर्बन बैंक था। अब ज्यादा लम्बी-चौड़ी चर्चा करने की जरूरत नहीं है, उसमें सरकार के मिनिस्टर्स सीधे फंस गए हैं। आज भी सुप्रीम कोर्ट के अंदर वह कैसे चल रहा है, इसलिए उसके बारे में मैं बोलना नहीं चाहता हूँ। लेकिन दुनिया को यह सुन कर आश्चर्य लगा, कि बैंक के अंदर यह धांधली आ गई है, जो समाचार-पत्रों में छपी हुई है, पब्लिक ग्रान्ड को, पब्लिक ग्रान्ड—गांधी मैदान, रेलवे प्लेटफार्म नं. 1 वह भी गिरवी के ऊपर चढ़ गया और यह समाचार केवल हिन्दुस्तान की अंदर ही नहीं, जगत विख्यात समाचार बन कर रह गया।

श्री ए. जी. कलकणी (महाराष्ट्र) : वह पेंसा तपेस्वर ने लिया होगा। ... (स्थग-धान)

श्री कैलाश पति मिश्र : मैं जानता तो सब कुछ है, लेकिन उसका उल्लेख यहां नहीं करना चाहता हूँ। इसी सदन के अंदर स्पेशल सेशन के द्वारा हमारे आदरणीय मित्र श्री दासगुप्त जी यहां बैठे हुए हैं, इन्होंने यहां यूनाइटेड बैंक का सवाल उठाया। मुझे याद है उस दिन और खत में भी है, आरोप में जो चार्ज था वह बैंकिंग अधीनस्थ के ऊपर था और उनका चार्ज पहले-पहले वहां तक चला गया कि जो बैंकिंग मिनिस्टर्स हैं, उनके साथ भी जुड़ गया। उन दिन का दृश्य मुझे याद

है। आदरणीय पुजारी जी बैठे हुए थे। वह आवेश में आ गये और कंपन लगे, आवाज गम्भीर हो गई, आवाज धरदहट से भर गई, लेकिन जो दृश्य था, वह स्वाभाविक नहीं था। एक अद्भुत दृश्य इसी सदन के अंदर दिखाई दे रहा था उस विशेष उल्लेख, प्रकरण के ऊपर। महोदय, वह घटना शायद बिहार में एक बोकारो स्थान है, वहां पर एक बैंक शाखा भी है। जनरल मैनजर है एक श्रीमान और यहां पर वह उत्तर देने के लिए नहीं आयेंगे, कोड आफ कंडक्ट का सवाल है इसलिए मैं नाम नहीं लूंगा, लेकिन पता लगा है जनरल मैनजर की आदत यह है कि वह सौ, दो सौ रुपये, 50 रुपये, 25 रुपये तक की घूस लिया करता है। अब कोई थोड़ा छेड़छाड़ करता है या विरोध करता है तो बूले आम सड़क के ऊपर वह बोलते चलता है कि हमारा संबंध तो दिल्ली से है, बड़े-बड़े लोगों से है, हमारा संबंध मंत्री के द्वारा है। महोदय, हम लोगों ने एक पत्र भी लिख कर दिया जिसके ऊपर मेरे मित्र गुप्ता जी के भी हस्ताक्षर थे, मेरे भी हस्ताक्षर थे और विरोधी दलों के कई सदस्यों के हस्ताक्षर थे। अभी एक बात के लिए संतोष है कि जब केन्द्रीय सरकार को हम कोई पत्र लिखते हैं तो इतना तो उत्तर मिल जाता है कि आपका पत्र प्राप्त हुआ। इसके ऊपर छान-बीन चालू हो रही है। महीने, दो महीने बाद सरकार जागती है तब दोबारा उत्तर दिया जाता है कि काम हो सकता है या नहीं। यह इस कारण से हुआ या इस कारण से नहीं हुआ। लेकिन आश्चर्य लग रहा है कि अब कई महीने बीत गए, पत्र लिखने के बाद इतना भी उत्तर अभी तक प्राप्त नहीं हुआ कि इसकी छान-बीन हो रही है। उपसभापति महोदय, अगर बैंक की बड़े अधिकारी और उन अधिकारियों को नशा चढ़ा है कि पुजारी जी जैसे अच्छे मंत्री जी के साथ उनका नाता जुड़ा हुआ है और उनका कोई कुछ बिगाड़ नहीं सकता तो बैंकों के अंदर चलने वाली धांधली को हम क्या रोक सकेंगे ?

महोदय, मैं एक छोटा सा उदाहरण देता हूँ। बैंक आफ इंदौर की यहीं दिल्ली में उसकी एक शाखा है। देव रहा है कि

वहाँ पर कितने घपले हैं, निराधार और गलत आधार पर और सटालट रिश्वत बैंक के ऊपर पैसा दिया जा रहा है और जितना बैंक से पैसा निकला है वह थोड़ा नहीं है बल्कि वह करोड़ों में जा रहा है। एक बेचारा वहाँ पर क्लर्क है श्री वर्मा, लगता है कि वह जरा सा ईमानदार था, ईमानदार कर्मचारी था। उससे नहीं रहा गया। जब उसको भी उसके ऊपर हस्ताक्षर करने के लिए विवश किया गया और उस भयंकर भ्रष्टाचार में सहभागी बनने के लिए उसको कहा गया तो वह इंकार कर गया। उसके बाद वह घटना प्रकाश में आ गई। सी. बी. आई. की इन्क्वायरी हो गई और फ्राड साबित हो गया। मैं इसके बारे में कहना चाहता हूँ कि ऊपर का एक भी जिम्मेदार अधिकारी अभी तक दंडित नहीं हुआ, लेकिन हुआ यह कि वह गरीब, छोटी सी तनखाह पाने वाला क्लर्क बर्बाद हो गया। सुदूर देश के एक कोने में उसका ट्रांसफर कर दिया गया। उसकी पत्नी है, उसके बच्चे हैं और वह भूखों मर रहा है। पिछले 14 महीने से वेतन के नाम पर उसको एक पैसा नहीं मिला। महोदय, इस संबंध में वर्मा के कोष में और स्टेट बैंक आफ इंदौर की दिल्ली शाखा के संबंध में मुझे मालूम है कि कई संसद सदस्यों ने भी पत्र लिखे हैं। वे सब पत्र, सब आखिरी गताल-खाने में जाकर पड़े हुए दिखाई दे रहे हैं।

एक दूसरा कैस संसद सदस्य ने ही लिख कर भेजा है। वह आदरणीय श्री पुजारी जी के पास लिख कर भेजा है। आरोप यह है, वह मैं थोड़ा सा पढ़ देता हूँ। अक्टूबर 1979 में एक फर्म, राम चन्द प्रकाश चन्द, चांदनी चौक दिल्ली के खाता नं. आर-48 के, 45,000 रुपये के तीन बैंक बैंकों द्वारा गलत भुगतान तीन दिनों में, दस हजार रुपये, पंद्रह हजार रुपये और बीस हजार रुपये कर दिया गया। फर्म के मालिक, जो वास्तविक फर्म का मालिक था भवसागर ने बैंक के मैनेजर को स्पष्ट लिखित निर्णय दिए कि मेरे चालू खाते में से बैंक द्वारा गलत भुगतान न किया जाये। परन्तु फिर भी भुगतान किए गए। फर्म के लिखित निर्देश का उल्लंघन करते हुए किसी दूसरे व्यक्ति को जाली पत्र द्वारा

एक नई चेकबुक दे दी गई और वही व्यक्ति खाते में से तीन दिनों में 45 हजार रुपये की रकम निकाल कर ले गया। इसकी सूचना भी श्री भाव सागर ने बैंक को दी। यह प्रकरण सन् 1979 से विचाराधीन है। इस छह वर्षों में अभी तक दोषी व्यक्तियों के विरुद्ध कोई उपयुक्त कार्यवाही नहीं की गई। इससे स्पष्ट होता है कि कुछ अधिकारी दोषी व्यक्तियों को बचाने में लगे हुए हैं। यह पत्र उस समय लिखा गया। मैंने अभी भी छान-बीन करने की कोशिश की। अभी इसमें कोई कार्यवाही नहीं की गई है।

महोदय, एक विषय के ऊपर थोड़ी देर जो क्रेडिट-डिपोजिट रेशो है, आज उसका कोई हिसाब चलता हुआ दिखाई नहीं दे रहा है, बासकर के उन पिछड़े हुए राज्यों में, जो राज्य सब प्रकार से पिछड़े दिखाई देते हैं। यह राज्य पिछड़े तो हैं ही और पिछड़ेपन के कारण जो सरकार से, केन्द्रीय सरकार से ग्रांट-इन-एड के साथ साफ्ट लोन मिलना चाहिए, रिसोर्सिंग कम होने के कारण वह इसमें भी पीछे रह जाते हैं। दुर्भाग्य है कि उन राज्यों में यह डिपोजिट-क्रेडिट रेशो बहुत नीचे है। उस राज्य की जनता, गरीब राज्य की जनता, जो बैंकों में जितना पैसा जमा करती है, उस जमा किए हुए पैसे में से भी उस राज्य में काम करने के लिए जो सुविधा होनी चाहिए, जो लोन की राशि बढ़ानी है, आज उसको पूरी तरह से उपेक्षा हो रही है। अब बिहार के बारे में मुझे मालूम है, जो पर-क्रेडिट-इन्कम है, उनमें बाइसगैल स्थान पर बढ़ा दिखाई देता है। आज वहाँ पर डिपोजिट-क्रेडिट रेशो क्या है? मैं कहना चाहता हूँ कि 40 प्रतिशत से नीचे है। आश्चर्य लग रहा है इस बात को देखकर कि आखिर स्वतंत्र भारत के बैंक हैं, हमें अपने आर्थिक हालात दुरुस्त करना है। बैंकों में जमा होने वाली संपत्ति, पैसा जो है, इससे कैसे भारत का विकास होना चाहिए—मल्टी नेशनल या बिग इंडस्ट्रीज से या छोटे-छोटे काम भारत के पांच लाख गांवों में जाकर फैले, जहाँ लोन मिले, तकनीकी शिक्षा मिले, कुछ कच्चा माल मिले? हर गांव के अंदर हर दो-चार घर के पीछे एक छोटा सा कारखाना बड़ा हो सके, बैंक का पैसा वहाँ

[ श्री कैलाश पति मिश्र ]

जाना चाहिए। लेकिन यह बात होती नहीं है।  
... (समय की बांटी) ...

महोदय, एक मिनट का और समय दीजिए, मैं समाप्त करूंगा। आजकल एक उमाशा हो रहा है। बाणकल लोन मेला चलाया जा रहा है, लोन मेला। भैंस का मेला, बैल का मेला, गधे का मेला, भेड़ का मेला यह तो सुना था, लेकिन बाणकल चल रहा है लोन-मेला और यह लोन मेला किसी लक्ष्य के उत्तर, किसी लक्ष्य के उत्तर चलें तो मैं स्वागत करना चाहता हूँ, लेकिन सरकार ने क्या यह विचार किया कि लोन आखिर लोन है और वसूली करने की विध्वंसकारी किसकी है, रिस्कॉसिबल कौन है? फिर यह लोन मेला यहाँ गैर-कांग्रेसी सरकार है, यहाँ अलग प्रकार से चल रहा है और यहाँ कांग्रेसी-शासित सरकार है, यहाँ अलग प्रकार से चल रहा है अर्थात् यहाँ कांग्रेस शासित सरकार है यहाँ बिनका लोन देना है, उसके बारे में बैंक कर्मचारी छानबीन करने का अधिकार नहीं रखते कि इस व्यक्ति को देने के बाद फिर इसका काम सड़ा होगा या नहीं होगा, काम सड़ा करने के लिए उसकी मदद करें, वह तो सत्ताधारी दल के व्यक्ति की रिकमंडेशन के उत्तर लोन देने में कब बांटे जा रहे हैं और दूसरी ओर यहाँ गैर-कांग्रेसी शासित सरकार है, यहाँ राज्य सरकारों को ही बाईपास कर दिया जाता है। कई राज्यों से ऐसी शिकायत मिली है कि लोन-मेला लगा, व्यक्तियों को छोड़ दीजिए, दलों को छोड़ दीजिए, विरोधियों को छोड़ दीजिए, राज्य सरकार को भी उसकी जानकारी होती नहीं है। मैं पृच्छना चाहता हूँ कि यह पक्षपात कब तक चलेगा, यह भ्रष्टाचार कब तक चलेगा, यह फ्राड कब तक चलेगा। अगर ऐसे पदाधिकारियों और राजनीतिक तंत्र के खिलाफ आप कदम नहीं उठाएंगे तो राष्ट्रीयकृत बैंकों का भाग्य आगे चल कर क्या होने वाला है, यह सोचा ही जा सकता है,।

अन्त में मैं एक बात कहना चाहूंगा कि बैंकों में आजकल डकैतियों का ताता लग गया है और इससे आम आदमी में बहुत बड़ा भय बना हुआ है। यह भय समाप्त होना चाहिए, यह विश्वास पैदा होना चाहिए कि बैंकों में डकैती नहीं होगी। बैंकों में

सुरक्षा की उचित व्यवस्था होनी चाहिए। कब पर जो इन्टरैस्ट मिलता है वह बैंक का प्राफिट है इस पर बैंक आज भरोसा न करते हुए मर्चेंट डिबीजन बैंकिंग के उत्तर भरोसा करता चला जा रहा है। इसीलिए मैं कहना चाहता हूँ कि बैंकों के जरिए देश को बाण बढ़ाने का चक्र बुरी तरह से दलदल में फँसता चला जा रहा है। सरकार इस संबंध में क्या ठोस कदम उठाना चाहती है, इस बारे में मंत्री महोदय का उत्तर चाहूंगा।

SHRI A.G. KULKARNI : Sir, the Government's statement in reply to today's Call-Attention is a very innocuous statement. It has gone to the other extreme of consumer service. The Call-Attention raised was not merely for consumer service but about deterioration in the nationalised banks right from decision-making process to consumer service. The process of decision-making right down to service to consumers is at a very low ebb at present. There are many kinds of abuses in the process. Leaving aside that, the consumers themselves are feeling why the entire banking structure was at all nationalised. But I do feel and I do appreciate that by nationalising banks we have had a process whereby the weaker sections the weaker sectors, the small-scale industries, the agricultural sector, are benefited, and this is one of the good points. But with deterioration in the decision-making process the small man has become the casualty the small man who cannot grease the palms of the big officers in the nationalised banks. Why I say this is the small man has to wait for a long time before he can get a loan, in spite of the best efforts of Mr. Poojari that smaller loans should be given immediately, whether through his melas or whatever it is. There is nothing wrong at all in a mela. The point is the bank officers should be more careful. Now the problem is banks have become a green channel for the capitalist. We have got umpteen examples. Only last week we discussed here on a question by one of my honourable colleagues as to how the banks were taken for a ride by Reliance Textile Industries. I am not going to repeat that. But I have to say that there is no monitoring of various

nationalised banks, there is no monitoring by the Reserve Bank of India of the various nationalised banks. Sir, I gave examples on that day as to how even the Reserve Bank of India permitted the funds to be brought into India under the various fictitious names, under the names of Godsalo. I am not going to mention that again because I do not want to waste my time on that. Sir, what I find is that here I got certain material which shows that the main culprits seem to be all the banks, particularly the Bank of Baroda, the Syndicate Bank, the Punjab and Sind Bank and many other banks who have made a casual approach towards the big industrialists. Mr. Poojari, in all seriousness I want to tell you about the banking industry and the big officers in the banks. The system is now of kick-backs. Whether you have come across or not, I do not know, but when we move in the industrial circles, in the mercantile circles, we are told that up to 5 per cent of kick-backs are usually charged for big loans above Rs. 5 lakhs and Rs. 10 lakhs. They are not monitored by the Reserve Bank of India.

Sir, here is a telex No. 275067 from the General Manager of the Bank of Baroda, one Dr. A.C. Shah, to his Central Office in Bombay and the message is to be delivered to the USA, Bahrain, the UAE and the UK wherein, Sir, the limits are sanctioned just on telex. They are, Sir, the limits are sanctioned just on telex. They are, Sir, I quote: "USA—1.5 million dollars; Bahrain—1.5 million dollars; U.A.E.—7 million dollars; and U.K.—15 million dollars". They are to be given fictitious names proposed by the Reliance Textile Industry. This is one, Sir

Sir, here is another incident wherein I find the Deputy Governor of the Reserve Bank of India, as has been quoted by the 'Indian Express' and the 'Blitz'. Sir, there was an application by the Reliance Textile Industries for working capital loan of about Rs. 191 crores. Sir, I am not against the Banks giving working capital loans. The production must go on. But, Sir, the way in which the applications are processed and fictitious figures being supplied to the Bank of Baroda or the Syndi-

cate Bank or whoever might have been concerned, I am against the special interest taken by the Deputy Governor of the Reserve Bank of India in processing this application. The Deputy Governor is not appointed to process only the applications of the Reliance Textile Industries from the Banking Department. Sir, he says and I quote: "We will have to be careful to see that such a cut does not create a situation whereby the Company faces any genuine operational problem." Sir, the lending bank proposed some cut. The Deputy Governor of the RBI goes over the head of the lending bank and, what you call it, comes forward to advise the lending bank that you will have to be very careful to see that such a cut does not create such a situation whereby the Company faces any genuine operational problem, and "the Company's production and sales are to increase" Sir, we are crying for giving loans for production which we are making. The Deputy Governor of the RBI says, "Sales and production is going to be increased to Rs. 1277 crores for the year ending 31-12-86." Sir, we are in the month of July and today it is 31-7-1986. So, this is the attitude of the Deputy Governor, and a fund-based limit of Rs. 191 crores for the same. Hence a discussion may be held in this regard with the bank and the borrowers respectively and in the meanwhile the total limit as recommended by the department may be released. What right the Deputy Governor has got to order a bank to release, without the release being properly sanctioned by the board of directors of that particular banks? Why this red carpet treatment for Reliance textiles? Mr. Poojari you will be moving heaven and earth for a small man to get a loan of Rs. 500 and here is your Deputy Governor behaving in this way. But, Sir, luckily it seems that the present Governor, who seems and is a clean man and who is above board, what does he advise? Fortunately for the participating bank the RBI Governor got wind of this manipulation by the Deputy Governor of the Reserve Bank of India and prevented the inevitable. The banks have been told to release only Rs. 20 crores. So, Mr. Minister is it the way? Is this the way that a Deputy Governor should bend

[Shri A. G. Kulkarni]

backwards and forwards at the feet of the Reliance textile industry? For What? What is the kickback? To whom is it given? And you are issuing a statement and giving us an innocuous statement. It is something rotten in the kingdom of Denmark. Mr. Poojari, you must know. You are sitting on an empire where corruption is the order of the day. (*Time-bell rings*).

Sir, I am finishing. Then, Sir, what I want to say is that on that day when this question was discussed, the Finance Minister himself said, the CBI inquiry is on against the Reliance textile industry, about anti-dating the letter of credit by that bank. Sir I want to know from you, because I got further information that CBI inquiry is complete, and CBI report has been submitted to the proper Ministry, the Home Ministry, why that Ministry is not giving the report to the Finance Ministry for further action? Please get hold of that report and take action. But I stand subject to correction, because this is my information.

Sir, I have read about the Deputy Governor of the RBI indulging in this affair. Sir, what I want to say is that the banks and the bigwigs are in collusion with the officers and kickbacks have become a routine in the banks. Actually, I would give you a suggestion, if you approve, that such big loans which are being granted, should not be within the purview of a single officer. There should be some committees for sanctioning them. The boards are there, you will tell me. The boards are there, it is true. But if the chairmen are going to take decisions on the advice of the Reserve Bank Governor, it seems that something must be fishy somewhere. I cannot say exactly. Then, Sir, why has this been happening? Mr. Minister, I would like to tell you that it is the politicians who are meddling in the affairs of the nationalised banks. Sir, when appointments are made to the offices of boards of directors with a political eye, that is deteriorating the service in the banks. We must take hands off the nationalised banks because Rs. 50 thousand crores or whatever crores are there in the banks, they are the depositors money and we are the custodians of

the depositors. So, the politicians and Ministers must take their hands off. That is, the point that I want to make. Then, Sir, the other problem to which I want to refer to is about frauds. I think my friend gave some examples. But I do not want to give examples. Sir, my information is that the number of cases and the amounts involved are progressively increasing, and you say in your statement that efforts are made, monitoring arrangements are made, to curb them. What monitoring arrangements are made? Sir, in the year 1983, the fraud amount was Rs. 29.75 crores. In the year 1985, the fraud amount is Rs. 53 crores and in between in 1984, it is Rs. 45 crores. It is a progressive increase of the amount involved in the bank frauds. So, let us not take it very easy. Very recent examples here have shown that in 1983, up to 31-3-1986, the frauds have gone to the extent of Rs. 10.48 crores. In Delhi itself we read in the papers that the amount of Rs. 10 crores have been swindled by a bank clerk who got himself transferred from the Karol Bagh office to the head office. Sir I do not want to go into small details. There are the big sharks, the capitalists who are in collusion with the bank chairmen and some officers in the RBI swindling money, siphoning money, draining money for their own empires and sharemarkets to be managed. And, here is the small scale industry, the agricultural sector, what you call the poor *adivasi*, they are not even getting a pittance of loan or Rs. 2,500 or Rs. 2,000. I think your *mela* scheme has misfired and on the contrary who are being benefited are the capitalist tycoons like Reliance textiles. (*Time bell rings*).

Sir the last point that I want to make is that cases of robberies have increased. I am very much disturbed on this account because depositors are in a panicky condition. The personnel in the far-flung branches of a bank in cities like Bombay or Pune, might be in Calcutta, Delhi also, I do not have that much of experience, and very panicky. In the branches of banks around Bombay in the last two months five or six robberies have taken place. And it has become a very easy thing to get money from the banks at the point

of a revolver or a knife. So, Mr. Minister, everything in the country seems to be on fire be it Punjab, or Mizoram or Assam. Here on this side everything is on fire. Many of the matters are in a mess. The whole thing seems to be "boiling" and there is no law and order. Leave aside law and order, there is no mental satisfaction for an ordinary common man. And if these bank robberies go on taking place at the point of a gun, the people's belief in the Government will be at stake. So, it is a warning to you, Mr. Minister. Please convey our feelings to your senior Minister that these affairs are going on and the Reserve Bank is acquiescing and the nationalised banks are having a field day for the benefit of capitalists and the casualties are the other sectors who have not got a single farthing from these nationalised banks.

**SHRI GURUDAS DAS GUPTA** (West Bengal): Mr. Chairperson, Sir, we are extremely fortunate that Government has admitted a Calling Attention on the question of bank frauds because it happens to be one of the most leading and perturbing public questions tormenting every walk of life today. I am, Sir, thoroughly disappointed by the statement our honoured Mr. Poojari has made. I hope, Mr. Poojari, instead of talking to somebody else, will listen to our argument. Sir, the statement which he has made is in the present continuous tense. I am not a teacher in English. Nor do I claim that I am very strong in English. But I can say, this is in present continuous tense. It says 'We are streamlining; we are taking steps; we are doing all that is possible'. This way of talking is the most usual way in which the Ministers speak. I do not know whether Mr. Poojari will speak in the same way when he replies, to avoid questions. The point is, there is fraud and the fraud is on a massive scale. The fraud is alarmingly on the rise. No steps as yet have been taken by the Government, by the Finance Ministry, to detect the fraud, to stop the fraud and to punish the people who are responsible for this fraud. In my opinion, the statement that only Rs. 56 crores is the amount which has been defrauded is an understatement. In my opinion, hundreds and thousands of crores of rupees are being lost by the public ex-

chequer and there is no mechanism by the Government to detect the fraud. I believe, largest number of bank employees to be honest, I believe largest number of petty officers to be honest, but it is because of the people who are in the highest ladder... (Interruption) it is the people who are sitting in the highest ladder of administration, who are hand-in-glove, who are the actual conspirators and colluders, it is these people who are responsible for the fraud. And I accuse the Government of inaction in cases, even in cases where they had been brought to their notice. Sir, today, the total deposit, in the banking industry is of the order of Rs. 85,000 crores. I claim, every year, Rs. 250 crores are being written off as bad debts by the nationalised sector. Now, I bring some specific cases, specific charges and I shall present our hon. Minister with the gift of some confidential reports about some of the nationalised and private banks. To begin with, I have here with me a report from the Reserve Bank of India of 2nd April, 1982, and if the Minister wants, in a second, I can give him a copy of this because it is zeroxed.

**MR. DEPUTY CHAIRMAN:** Since it is a confidential document, you can give it confidentially.

**SHRI GURUDAS DAS GUPTA:** It is a confidential document. But I have got it. There should be no reason why I should not place it. It was placed on 2nd April, 1982, and was received by the Chairman of the United Industrial Bank on the next day. The signature is also here. This United Industrial Bank has 8 Executive Directors. Of these 8 Executive Directors, two are representatives of the private shareholders and the rest six are from the Reserve Bank of India and United Bank. This shows that the Government has effective control over this Bank. This Bank is ninth among thirty private sector banks in the country. I am just reading a part of it. The report says on the first page:

"The inspection has revealed that there has been a sharp deterioration in the financial position of the Bank."

**SHRI BHASKAR ANNAJI MASODKAR** (Maharashtra): Sir, he is referring to a document. We are not having a copy of it.



**SHRI ATAL BIHARI VAJPAYEE** (Madhya Pradesh): He is ready to lay it on the Table of the House.

**SHRI BHASKAR ANNAJI MASODKAR:** The Leader of the Opposition should tell us. We should know what he is referring to. We should follow what he is saying. I have no objection to his referring to any document, but we should know what he is referring to. I am not able to follow him.

**SHRI K. MOHANAN** (Kerala): It is difficult to circulate it in advance. After his speech, he will submit it.

**MR. DEPUTY CHAIRMAN:** A Member cannot be asked to lay any document on the Table of the House. There is a proper procedure to be followed.

**SHRI ATAL BIHARI VAJPAYEE:** After following the usual procedure, he will do it; he will lay it on the Table of the House.

**SHRI GURUDAS DAS GUPTA:** Mr. Deputy Chairman, Sir, thank you for protecting my rights.

**PROF. C. LAKSHMANNA** (Andhra Pradesh): Can he lay it after complying with the rules?

**MR. DEPUTY CHAIRMAN:** As per rules.

**PROF. C. LAKSHMANNA:** Can we take it that you are directing Mr. Gurudas Das Gupta to lay it on the Table of the House after complying with the rules?

**SHRI K. MOHANAN:** That he will consider.

**MR. DEPUTY CHAIRMAN:** I was saying how it should be done.

**SHRI GURUDAS DAS GUPTA:** I am reading. The inspection has revealed that there has been a sharp deterioration in the financial position of the bank. On the basis of the findings of the inspection, the realisable value of the assets of the bank as on the 30th June, 1980, is estimated at Rs. 7869.00 lakhs against which its outside liabilities as on that date aggregated Rs. 8384.54 lakhs indicating that not only its paid-up capital, reserves, provisions, etc. of the book value of Rs. 91.11 lakhs have been lost, but also its deposits have

been affected to the extent of Rs. 515.54 lakhs.

Now I will come to another part. The inspection report has disclosed persistence of existence of several deficiencies, adverse features in the bank's working, the more important of which are indicated below:

The frauds perpetrated in the borrowal accounts at Bongaon and in the deposit accounts at Calcutta (Hutkhole) branches have not been reported to the Board. The Board was also not kept informed of the developments in regard to the seizure of certain documents and fixed deposit receipts of some deposit holders at New Delhi (Connaught Circus) branch by the income-tax authorities and the subsequent payments made by the bank in accordance with the order issued by the tax authorities. Material information required by the directors for enabling them to take proper decision on some of the loan proposals has not been furnished in the relevant notes put up to the Board. Certain important matters relating to the bank's working have not been brought to the notice of the Board at periodical intervals.

Who is responsible? Chairman of the Board. Coming to the other part regarding the supervision and internal control, the inspection report says: The supervision and control exercised by the Head office over the working of the branches are totally inadequate and ineffective. This has resulted in perpetration of large scale frauds in borrowal accounts at certain branches.

This is how frauds are committed and this is how a Board where majority belongs to Government remains inactive. Even after this Mr. Poojari continues to say that something concrete is being done to prevent frauds from taking place.

I am now reading another portion regarding chief executive officers. The report says, Chief Executive, M. A., aged 52 years is the chairman of the bank since 13th September, 1976. He draws a monthly remuneration of Rs. 26000/- besides certain other perquisites. His term of appointment is due to expire on the 11th January, 1982, mind it, after the report is submitted. Certain discretionary powers vested in him for sanctioning advances,

incurring expenditure, etc. have not been judiciously exercised. The chairman had sanctioned advances to several parties much beyond his discretionary powers and some of these have not been reported and got ratified by the Board. Some of the advances granted specially at the Beadon Street (Calcutta) branch reportedly under telephone instructions of the chairman have become difficult of realisation. Just imagine, the poor officer has to carry out telephonic instructions to give advances. During visits to some of the branches the chairman has accorded spot sanction on certain loan proposals without getting them properly appraised. This is the report about the chairman. This Chairman was re-appointed by the Reserve Bank after this was received. This is how Mr. Poojari is fighting fraud. This is the report of the Reserve Bank. After this report was submitted, that Chairman had another extended term! This is how he was given a prize for being honest!

**SHRI K. MOHANAN:** He is only against the employees.

**SHRI GURUDAS DAS GUPTA:** He is only against the employees and very much known to some of the Reserve Bank people.

Lastly 36.81 per cent of the advances were bad. This report says that. And what is the conclusion? The conclusion is, on these facts there is sufficient material to suggest that the banking company does not continue to comply with the conditions referred to under section 22(3)(b) of the Banking Regulation Act, 1949. This means that the bank is violating the provisions of the Reserve Bank regulations. I got a copy of it. After I got it, on 9th July, I wrote to Mr. V. P. Singh. Let me read only a part of that letter: We do not know what measures were initiated by the Reserve Bank to correct the situation. But the same set of persons were allowed to head the administration, despite serious lapses. Even when the Chief Executive Officer, the Chairman of the Board, as the report said, had gone much beyond discretionary power vested in him for sanctioning advances, incurring expenditure, had not reported some of the cases of advance to the Board for ratification, had granted loans on a number of occasions

on telephonic instructions, a part of which ultimately became difficult of realisation had accorded spot sanction, to certain loan proposals without proper appraisal, he had not been removed. Not only that. Mr. X—I cannot name him—was given extension by another term. This is how the heroic Minister of State for Finance is fighting fraud and corruption in our country! I wanted the Minister to tell me all this. The state of affairs in the United Industrial Bank has not improved. I suggest that it has deteriorated further. Mr. Poojari may stand up and say, "it is 1982 report". But I can tell you for certain that another report has been prepared by RBI and that report speaks of much greater lapses and deterioration of service. Therefore, I wonder why the Reserve Bank was sitting idle all these years and allowed the situation to worsen, endangering the interests of the depositors. The inaction of the Finance Ministry and the Reserve Bank can be looked upon not only as a failure to discharge responsibility but can also be construed as an act of connivance objectively with those who are out to put the banking industry in peril. I urge upon you to institute an enquiry, remove the management and nationalise the Bank. I had sent the letter on 7th. Till now I have not received a reply to my letter. This is how the Members of Parliament are being treated, this is how genuine complaints about fraud are being tackled by the Ministry.

This is another case how an officer who had fought corruption and unearthed fraud has been punished by the management. I am quoting, Sir.

**MR. DEPUTY CHAIRMAN:** Your time is going to be over.

**SHRI GURUDAS DAS GUPTA:** I shall not speak a single extra word. I will be only quoting figures and placing all the documents before the House so that you can fight corruption which he has promised to do. Sir, this is the statement issued by the Bank of Baroda Eastern Zone Employees Union, affiliated to the All-India Bank Employees Association. This is dated 7th October '82. I am only quoting: We are shocked and surprised to know that our management has issued transfer orders on Mr. X, senior

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Manager, ZIC to UP Zone. The ZIC under the leadership of Mr. Bose has done a tremendous job of unearthing cases of fraud and misuse and abuse of power in granting loans/advances to unknown borrowers, under concessions to big customers by way of relief in the matter of interest. While it has acquired respect and credibility in the eyes of the general employees of the bank, it has become the target of attack by the management. This is how the management is behaving with the people who can take up courage and 1.00 P.M. expose fraud. Sir, the letter further says:

"However after Sri Bose joined the Z.I.C. much water has flown through the river Ganges. Due to his reasonable and straight tackling of the inspection at the level of the ZIC quite a number of irregularities came to the surface and in spite of their timely warning Management preferred to keep eyes shut, so that the irregularities and frauds could be quantitatively inflated. This tantamounted to a gigantic amount of fraud around Rs. 12 crores, by some parties with the open help of so-called high officials of the Bank holding chairs of immense responsibility.

The ZIC's exposure of frauds led to ouster of the then Chairman and Executive Director from the Bank followed by suspension of the then A.G.M. (EZ), the Chief Officer of the Inspection Centre, R.M. (Cal) and three other Branch Managers all of whom were directly, indirectly involved in the above fraud. Sri Bose continued to conduct the inspection works aiming at finding out any other irregularities in the matter of advances to the parties who are to turn these advances to bad advances. Certain such cases were detected by him in some other States within the Eastern Zone and person

responsible for such wilful bad advances was to be taken to books."

Sir, just at this juncture, when the task of unearthing fraud was being courageously carried out by a gentleman known as Mr. Bose, there was this response from the management. He was offered or he was served with a transfer notice by the most incorruptible, obedient and faithful management of a nationalised bank functioning under the stewardship of Mr. Poojari for whom all of us have deep respect and affection. Again, Sir, I would like to refer to... (Time-Bell rings) Sir, please allow me some more time. More cases are with me.

MR. DEPUTY CHAIRMAN: There will be enough cases.

SHRI GURUDAS DAS GUPTA: Sir, here is a case here is a bank...

SHRI NIRMAL CHATTERJEE (West Bengal): Sir, are you already convinced?

SHRI GURUDAS DAS GUPTA: Sir, here is a bank where honesty is punished and dishonesty is rewarded. There is another case of Bank of Baroda... (Interruptions) I hope, Mr. Poojari will find sometime to enquire into the complaint that we will be sending to him. There is another case:

MR. DEPUTY CHAIRMAN: Mr. Gurudas Das Gupta your time is up. Prof. Lakshmanna please.

SHRI GURUDAS DAS GUPTA: Sir, there is another case in regard to Oriental Bank of Commerce.

MR. DEPUTY CHAIRMAN: There are so many nationalised banks. If you go on mentioning about all of them, there will be no time. You have already taken a lot of time. Prof. Lakshmanna please.

SHRI GURUDAS DAS GUPTA: I hope Mr. Poojari will not mind if I involve him also

**SHRI ATAL BIHARI VAJPAYEE:**  
Please do.

**SHRI GURUDAS DAS GUPTA:**  
This is an open thing we are discussing. He may be involved, may not be involved. The Oriental Bank of Commerce issued a circular dated 20.3.1986, addressed to all branches/area offices/regional offices and it said 'We are reproducing below the text of letter received from Bank of Rajasthan Limited. All branches/Area offices are advised to exercise caution in the matter.' This is signed by the Assistant General Manager. It enclosed a copy of letter No. 410, etc. which said: I am only reading a part:

"One Dr. C. P. Sajalenou opened an account in the name of M/s. Azad Hind Films with our Andheri branch on 16.10.1985. He informed the Manager that he was making a feature film titled 'Yeh Desh Hamara Hai' based on the life of Netaji Subhash Chandra Bose.....  
Poor Netaji is being brought here..

...and requested to sanction Rs. 2 lakhs. Dr. Sajalendu also produced a letter dated 1.8.84 from Shri Janardhan Poojari, State Minister for Finance, advising that the Government is agreeable to give a subsidy of Rs. 2 crores and a loan of Rs. 3 crores. Relying on the above facts and to meet urgent requirements of shooting the film at East Studio, the Branch Manager allowed an overdraft amounting to Rs. 33,310/- in the month of October 1985, "He also sent a proposal...."

**SHRI JANARDHAN POOJARI:** If at all you want to involve me, you can do it. But you should have at least respect for us also. You know that it is a fake one. Not only that, but a case has been registered. Even, Sir, my letter head has been printed. It is a forgery case. Everything is known to him. Unnecessarily he is mentioning it. It is being investigated. My signature has also been forged. Everything is there. Why are you bringing them?

**SHRI GURUDAS DAS GUPTA:**  
Sir since the Minister says, it is not correct, I withdraw it.

**SHRI JANARDHAN POOJARI:** I am just saying that he can use this time for other purposes. I am grateful to him. He is bringing so many things. Here is a forgery case. Action has been taken. A case has been registered. The CBI is investigating. He knows it. Instead of doing it, he can use this time for other purposes. I am helping him.

**SHRI V. GOPALSAMY (Tamil Nadu):** We have to accept the explanation of the Minister.

**SHRI GURUDAS DAS GUPTA:**  
I am bound by your ruling. Since God can do no wrong, Minister always speaks the truth. Therefore, Sir, I accept the statement. I am withdrawing it.

**MR. DEPUTY CHAIRMAN:** Now Prof. Lakshmanna, Nothing of what Mr. Gupta says will go on record now. I have given him many extensions.

**SHRI GURUDAS DAS GUPTA:** \*

**MR. DEPUTY CHAIRMAN:** No. One sentence to conclude. No.

**SHRI GURUDAS DAS GUPTA:**  
I have three cases. I want three minutes.

**MR. DEPUTY CHAIRMAN:** Be brief.

**SHRI GURUDAS DAS GUPTA:**  
Strictly three minutes.

**MR. DEPUTY CHAIRMAN:** You should respect the sentiments of other Members who want to speak.

**SHRI GURUDAS DAS GUPTA:**  
I want to say, about 14 leaders of the Opposition had written to the Prime Minister. The Prime Minister had also written to me. But I do not know what has happened to it. We

\*Not recorded.

[Shri Gurudas Das Gupta]

had written. Fourteen leaders of Opposition of this House had written. You might have received a letter concerning defalcation committed by Mr. Abhai Kanta Jha, Manager of the United Bank Bokaro Steel Industrial Estate Branch over the years, from Gurudas Das Gupta. It says:

"According to the report submitted by the Chairman of the Bank, it was decided to chargesheet, transfer..."

SHRI JANARDHAN POOJARI: This has also been raised, and it is under investigation. Why are you repeating it? Already you have done it in the House.

SHRI GURUDAS DAS GUPTA: Sir allow me to read this. I must read the letter from the Prime Minister. I am reading the letter from the Prime Minister.

MR. DEPUTY CHAIRMAN: I cannot permit now in the light of the explanation given by the Minister.

SHRI GURUDAS DAS GUPTA: I want to read the letter from the Prime Minister.

MR. DEPUTY CHAIRMAN: You have quoted it?

SHRI GURUDAS DAS GUPTA: May I say, "Dear Shri Das Gupta..."

MR. DEPUTY CHAIRMAN: Mr. Das Gupta, it is not fair when the Chair says that you cannot raise it further. You have mentioned the letter and also quoted it.

SHRI GURUDAS DAS GUPTA: Allow me to conclude, Sir. That is all.

MR. DEPUTY CHAIRMAN: Yes.

SHRI GURUDAS DAS GUPTA: Let me conclude Sir. I declare...

MR. DEPUTY CHAIRMAN: Declare what?

SHRI GURUDAS DAS GUPTA: I say that there is no mechanism at all of audit in the banks. As a proof I am producing here the audit report of the Dena Bank. I am reading a small paragraph. It says:

"We have audited the attached balance sheet of Dena Bank as on 31st December, 1984 and also the profit and loss account of the Bank for one year ended on that date."

MR. DEPUTY CHAIRMAN: It is a document. Hand it over.

SHRI GURUDAS DAS GUPTA: I am just supporting my contention.

MR. DEPUTY CHAIRMAN: It is there.

SHRI GURUDAS DAS GUPTA: Let me read, Sir. Otherwise, how will people know?

It reads:

"We have audited the attached balance sheet of Dena Bank as on 31st December, 1984 and also the profit and loss account of the bank for the year ended on that date and the incorporated accounts of 37 branches audited by us."

That is they have audited only 37 branches. Four hundred and forty seven branches were audited by other auditors who were appointed by the bank, not by these auditors.

"472 branches were not audited." What does it mean? It means that out of 956 branches belonging to the Dena Bank, only 37 branches were audited. The rest were not audited. Therefore, Sir, there is no mechanism for auditing. Therefore, Sir, this is a fraud. There is no mechanism for audit at all.

This is the story with all the nationalised, private and every other bank. Only a partial audit is done and is being taken as a comprehensive audit. Therefore, I would like

to know whether the Minister agrees that there should be an independent audit authority to audit accounts of all the branches of the banks whether they are nationalised or not nationalised. Fraud is taking place because there is no audit. Therefore, proper audit has to be done and for that an independent audit authority has to be set up.

The same set of people advance loans and the same set of people declare loans as bad debt. It cannot be. To declare a loan as bad, there must be a separate agency. Those who advance loans cannot take the responsibility of declaring that such and such loans are bad debts.

Thirdly, I would like to know if the names of those people who have not paid incometax, i.e. the tax defaulters can be published, then why not the names of those who have defaulted in respect of payment of debts should not be published? I demand list of the defaulters of bank debts be published.

Thirdly, I would like to know if the probe in the cases of writing off of bad debt during the last five years.

MR. DEPUTY CHAIRMAN: Please conclude. Nothing shall go on record after this. I would not allow anything to go on record after this. Not even a sentence.

SHRI GURUDAS DAS GUPTA: \*

PROF. C. LAKSHMANNA: I would like to address myself to four or five aspects of the issue under discussion. In the first instance, I would like to deal with loan lilas then loan melas, then bank looting and finally about the bank services.

AN HON. MEMBER: While discussing the bank fraud, you are raising a religious connotation. Lila is a religious connotation. (Interruptions)

\*Not recorded.

PROF. C. LAKSHMANNA: I do not know why you are permitting them to interrupt me. I do not know whether Lila is a religious connotation or not. I am fully aware that it is a term in itself which can explain the fraudulent activities undertaken by any set of people. I do not know why religion is being brought into a statement of this nature.

Sir, there have been bank frauds and the number has been increasing even as per the banking reports. Between 1981 and 1986, until the month of May, there have been ten thousand cases of bank frauds which involve Rs. 150 crores as reported by 28 public sector banks. It has been stated that everyday there have been ten cases reported to investigative agencies such as the police the CID and the C.B.I.

In the year 1981, there were 1891 cases and by the time we came to 1985, there have been 3,000 cases. And if you look at the pattern adopted in these bank frauds, which we call bank Lilas there has been a definite pattern. Therefore, once any investigative machinery finds a pattern, it is very easy for them to curb these. In spite of that if there has been ever increasing number of the bank frauds and also if there is a pattern in it and if there is no action to curb it, the question arises, the doubt arises and the suspicion arises whether it is a deliberate attempt on the part of the Government to simply shut the eyes to what is happening? Is the Government really very keen to solve this problem? Sir, apart from this, while here have been ten cases being reported to the investigative agencies every day, there are at least ten-fold or twenty-fold of the cases which do not come to the notice and which were hushed up at different levels. They are not finding a permanent solution to solve this problem. I give this information only to show the magnitude of the problem with which we are tackling. But unfortunately the statement given by the Minister does not take cognizance of this magnitude of

[Prof. C. Lakshmanna]

the bank frauds that have been taking place, increasing year after year even during the last five years. There has been no attempt to curb these bank frauds except making palative Bills being made available to the House. There is no specific mention as to what specific measures have been taken. In spite of the fact that there had been increasing numbers how these factors have failed or the machineries have failed or those programmes have failed. In view of that what further additions and new programmes will be taken up to curb this increasing tendency of bank frauds?

Sir, this very Banking Report gives us as to what is the number of increasing frauds in individual banks. The State Bank of India has the maximum number of cases. There were about 445 fraud cases in 1981. It became 581 in 1982, 632 in 1983, 842 in 1984 and an equal number or more in the year 1985. What is the position in 1986 is not yet known? This is the performance of the frauds in the State Bank of India as reported by the Banking Report only.

Sir, the Punjab National Bank performance is equally laudable. There were 53 frauds in 1983, 173 in 1982, 285 in 1983 and 288 in 1984.

Then Bank of Baroda, Bank of India and Canara Bank have all registered cases where there have been about 150 cases each. Now, what is the nature of the duping? These frauds are expressed in terms of foreign currencies and if we include this figure also in the bank fraud cases, then the Banking Reports says it will rise to a monumental figure. What has been the cases of duping in terms of foreign currency? It will become a monumental figure. Therefore, my first question would be to request the Minister to kindly enlighten this House as to how in spite of the measures and in spite of the various steps that have been taken by the Government there has been an increase in the number of frauds that

have been reported by some of these banks? How many cases are specific? And how many cases are general? Sir, where is the problem? The problem has been, Sir, for the last two years there has been continuous and persistent requests on the part of the Members of both the Houses to do something in the matter and especially about the appointment of the Directors in the various Banks. But what a tragedy it is, Sir, in a country with 70 crores of people, we do not have sufficient number of such persons whose trustworthiness, whose integrity, whose capability, whose efficiency cannot be trusted and who can be made to be appointed as Director of the Banks. On the floor of the House, the Minister has been continually assuring us that we are not sparing any effort, we are making all strenuous efforts to locate them. I think, the mining operation has been so deep that you are not able to come upto the surface. Therefore, I would like to ask whether the non-existence of the Director, who could be to some extent, check the operations of the banks which have been reporting increased frauds, is in a way responsible for this. There is only a Chairman sometimes and the entire powers are concentrated upon you, the entire banking functions are concentrated upon you as a result of which, perhaps, either he himself is not able to do the job properly or he is not able to have effective supervision and control and other mechanisms by which this could be curbed. Therefore, my second specific question to the Minister is: as to when he will fulfil the promise which has been made on the floor of the House that as soon as possible, earnest efforts will be made to appoint the Directors. I would like to know from him what the stage is now? Is this the stage in this country where honesty has become a casualty, integrity has been deeply buried? If he says that this country itself is lacking in integrity, that there is a loss in character, then that is a different matter. Let the Minister say so. Otherwise, I would like to demand from the Minister as

to why there is a delay in the appointment of Directors for several public banks for the last several years. (*Interruptions*).

SHRI M. S. GURUPADASWAMY (Karnataka): What are the reasons for keeping the vacancies of Directors for long?

SOME HON'BLE MEMBERS: He will answer it at a proper time.

PROF. C. LAKSHMANNA : Yes, yes. The only thing perhaps is that that proper time will never come. Unfortunately, I know Mr. Poojari is one who does not believe in some of these things such as auspiciousness and all those things which go with it. I do not know whether even he is now trying to look for the auspicious occasion to find out the suitable people or is he also trying to seek the solace of the soothsayers or the astrologers, who could look for him these people, who could be Directors. Though I know for certain.... (*Interruptions*).

SOME HON. MEMBER: Sir, there is a personal reference.

PROF. C. LAKSHMANNA : There is no personal reference.

AN HON. MEMBER : I am not talking to you. I am talking to the Chair.

PROF. C. LAKSHMANNA: Chair cannot talk.

AN HON. MEMBER: Sir, the Minister's belief in astrology is entirely his business. It is not the subject matter under discussion.

PROF. C. LAKSHMANNA: I did not say that he believes. The Member should understand what is being spoken. I said, he does not believe in it. Therefore, I am getting a little worried about it.

THE DEPUTY CHAIRMAN: Professor Lakshmanna, please come to the point.

PROF. C. LAKSHMANNA: Now, I come to loan melas. Sir, I share the concern of the Minister for helping really those who badly need those things but is he aware that even in

the matters of sanctioning of loans for those unfortunate people there has been lot of problems. There have been cases reported where, while the sanction amount for purchase of buffaloes has been Rs. 5,000, the beneficiary has not received even Rs. 3,000. He has been taking a personal interest in this. He has been going round the country. He has been personally supervising the "melas". When he is doing all this, is it not coming to his notice as to in how many cases, there has been this sort of thing. If a particular thing is meant to benefit somebody and if the person for whom it is meant is not receiving it, then the whole purpose for which the entire programme is launched is defeated and the programme becomes meaningless. Therefore, I would like to ask the minister: in how many cases, in what percentage of cases, has his attention been drawn to the type of things which I have just now mentioned, namely, that the loans which have been sanctioned are not reaching the beneficiaries to the extent that they should reach? I do not want to go into the other aspects of "loan melas". There will be other occasions. This is not the occasion for it. I do not want even to go into some of the ramifications of it, because this is not the occasion.

Finally, I will come to the bank dacoities and lootings. In response to a question put by one of my very dear friends, who is in this House now, on the 22nd July, 1986, a big list of the cases and the amounts involved and also the amounts recovered in various banks in regard to robberies and dacoities, has been given to this House. I would only like to draw the attention of the Minister to the reply given by himself. If this is the order in which there have been bank robberies and lootings, I would like to ask the Minister what specific steps he will take—not in general terms; I will come to the general terms in which he has talked about them—to prevent such things. Also another piece of information was available in reply to a question in the other House, wherein a



[Prof. C. Lakshmanna]

statement has been given containing alarming figures of the cases between 1-1-85 and 30-6-85 and the corresponding figures for the period 1-1-86 to 30-6-86, in respect of different States and Union Territories. If we see that statement, except in one of two States, where there has been no corresponding increase or there has even been a fall, in many of the States the number has gone up. The number has gone up not necessarily in States where troubled conditions are prevailing such as Punjab. Perhaps it is very easy to understand the case of Punjab and explain it in terms of terrorist activities and their indulging in this type of activities. But what about other States which are supposed to be peaceful and under stable Governments, capable Governments? What is happening there? Therefore, I would like to ask the Minister to kindly let this House know what specific steps he intends to take to prevent this.

Then, about customer services, the Minister says:

"extending to small depositors the facility of immediate credit in respect of outstation cheques up to Rs. 2500."

MR. DEPUTY CHAIRMAN: Only one minute more.

PROF. C. LAKSHMANNA: I would like to ask whether this has been implemented. On the other hand, my information is that the discretion which was available to the bank managers in these small cases has been withdrawn, with the result that if there is an outstation cheque, you cannot even sell it. Previously the system of selling cheques by paying a little amount was available. I am told that is not available now. Therefore, I would ask the Minister if this facility has been given whether there is a directive to this effect. I would like him to assure the House that small depositors with cheque facility can get

immediate credit facility for outstation cheques, because the Minister's statement says that this facility has been given. (Interruptions) I am not going into the question of loss of interest what the loss will be to the Exchequer. I am only acting upon the statement made by the Minister. The Minister categorically states that this facility has been given. And if such facility has been given, it must have been given after due consideration. If it has been given, I want to ask whether and how far it has been implemented. Is this facility available to small depositors all over the country? (time-bell rings).

Finally, this question was raised earlier also in the House and the Minister was good enough to assure that this would be done as soon as possible, viz., the small deposit insurance scheme/customer service. What happened to it. It is one of the recommendations. (time bell rings). When it was raised earlier, the Minister said that steps would be taken to give this facility. If this facility is extended, perhaps there will be sufficient motivation and incentive to the depositors.... (Time bell rings).

MR. DEPUTY CHAIRMAN: The House stands adjourned till 2.30.

The House then adjourned for lunch at thirty-two minutes past one of the clock.

The House reassembled after lunch at thirty-two minutes past two of the clock—Mr. Deputy Chairman in the Chair.

#### PAPERS LAID ON THE TABLE

Report of the Public Accounts Committee on Land Management in Railways

SHRI NIRMAL CHATTERJEE : Sir, I beg to lay on the Table a copy (in English and Hindi) of the Fifty-fourth Report of the Public Accounts Committee on Land Management in Railways.