

decided to take additional space of 22753.28 sq. ft. in the same building on rent from various other flat owners. One of these flats with an area of 578.17 sq. ft. is owned by the wife and daughter of a Deputy General Manager of the bank who is reported to be the brother-in-law of the former Chairman of the bank. This flat was rented on 2-4-80 at a monthly rent of Rs. 2601.76. The total amount of rent paid for this flat till 28-2-82 is Rs. 59,753.76. No loan had been given by the bank for the purchase of this flat. The rate of rent paid to the party is the same as that paid to other flat owners on the same floor. Approval of the Board of Directors of the bank had been obtained for the entire space taken on rent. The bank has reported that it is making appropriate infrastructural adjustments/furnishings in the entire premises with a view to shifting its Head Offices there at the earliest possible time.

Memorandum from Shri S. M. Banerjee, ex-M.P., regarding Hindustan Lever Ltd.

246. SHRI YOGENDRA SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether a memorandum has been received by Government during the month of November, 1981 from Shri S. M. Banerjee, Ex-M.P. in respect of a fraud alleged to have been perpetrated on the revenue department by Hindustan Lever Ltd., a subsidiary of Uni Lever Ltd., U.K.;

(b) if so, whether recovery proceedings have been set in motion as requested for the memorandum;

(c) if so, what is the progress made so far; and

(d) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAI SINGH SISODIA): (a) No such memorandum appears to have been received in the Ministry of

Finance, Department of Revenue in November, 1981.

(b) to (d) Do not arise.

Dilution of foreign equity by Hindustan Lever Ltd.

247. SHRI YOGENDRA SHARMA: Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 2436 given in the Rajya Sabha on the 17th March, 1981 and state:

(a) whether it is a fact that the Hindustan Lever Limited, a subsidiary of the Uni Lever Limited, U.K. is one of the companies which have not yet diluted its foreign equity holdings to a minimum of 40 per cent as required under the FERA guidelines, in spite of the clear and categorical direction from the Reserve Bank of India for the last three years under one pretext or the other; and

(b) if so, what are the details thereof?

THE MINISTER OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE): (a) and (b) Directives were issued to M/s. Hindustan Lever Ltd. to reduce non-resident equity to 40 per cent. The representation of Hindustan Lever for being allowed to retain 51 per cent foreign equity on the basis of increase in Appendix I activities and exports is still under consideration. Under the law companies are entitled to make representations regarding permissible level of non-resident equity.

Area Offices of Punjab and Sind Bank

248. SHRI M. KALYANASUNDARAM: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in May 1981 more than a dozen area offices were established by the Punjab and Sind Bank without taking the statutory permission from the Reserve Bank of India and without putting up the matter to the Bank's Board of Directors;

(b) if so, what are the details thereof and what steps have been taken by Reserve Bank of India for violation of the statutory requirements;

(c) whether it is also a fact that the premises for these area offices have been leased from person who are family members and relatives of the Ex-Chairman Shri Inderjit Singh and other senior executives of the Bank;

(d) whether Government are aware that rents for these premises are simply exorbitant; and

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

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (e) The Board of Directors of the Punjab and Sind Bank resolved in April, 1981 to increase the number of area offices of the Bank from 19 to 27. The proposal was thereafter referred to the Reserve Bank for its approval. The proposal was accepted by the Reserve Bank in respect of seven centres. It is a fact that in the intervening period the Bank had already, in anticipation, taken action to open centres at seven places. This was duly taken note of by the Reserve Bank of India and in view of the fact that the area office at one of the Centres had not been approved by the Reserve Bank, the Punjab and Sind Bank was directed by the Bank to discontinue that area office.

None of the existing premises for these area offices are reported to have been leased from persons who are family members or relatives of the former Chairman of the Bank or other senior executives. However, in the case of one area office the bank had entered into an agreement with the wife and sister-in-law of an Assistant General Manager of the Bank for the construction of new premises in which the area office is to be shifted. The bank has also reported

that the rent for these premises is not considered more than the market rent prevailing in the relevant area.

Irregularities and questionable transactions in the Punjab and Sind Bank

249. SHRI M. KALYANASUNDARAM: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has recently ordered an inquiry into the irregularities and questionable and fraudulent transactions in the Punjab and Sind Bank;

(b) if so, what are the details thereof, and whether any report on the inquiry has since been received by Government; and

(c) if so, what action has been taken thereon?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c) On receipt of information regarding certain alleged irregularities in the working of Punjab & Sind Bank, Reserve Bank of India took up in November, 1981 scrutiny of the books and accounts at some of the branches of the bank. In the course of discussion in this House on 9-12-1981 some allegations had been brought to the notice of Government. The Reserve Bank of India has been requested to look into these also. The Reserve Bank of India's findings will become available as soon as the scrutiny has been finalised.

Purchase of accommodation by Punjab and Sind Bank in Rajendra Place, New Delhi

250. SHRI M. KALYANASUNDARAM: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Punjab and Sind Bank has purchased a large portion of floor area in the building known as "Bank House" in Rajendra Place, New Delhi;