

RAJYA SABHA

Tuesday, the 1st December, 1981/
10th Agrahayana, 1903 (Saka)

The House met at eleven of the clock, Mr. Chairman in the Chair.

MEMBER SWORN

Dr. Vishwanath Hari Salaskar (Maharashtra)

ORAL ANSWERS TO QUESTIONS

'Rs. 23 akhs SB fraud'

*121. SHRI NARASINGHA PRASAD NANDA:†

SHRI DINESH GOSWAMI:

Will the Minister of FINANCE be pleased to state:

(a) whether he has seen a press report which appeared in the Blitz dated the 26th September, 1981 under the heading 'Rs. 23 lakhs SB fraud';

(b) if so, what are the details thereof; and

(c) what action has been taken against the persons found guilty in this regard to save the nationalised banks from further such losses?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) to (c) A Statement is laid on the Table of the House.

Statement

The State Bank of India has reported that the allegations made in the Blitz report of September 26, 1981 presumably refer to certain loans advanced by their Manager of Kadi branch mostly in the period May to October, 1978. As soon as these irregularities came to the notice of the Bank they were looked into by the Bank itself and also by CBI and the Branch Manager was placed under suspension. Central Bureau of Inves-

tigation registered two cases in 1979 against the Branch Manager and the Head Cashier of the branch. In respect of the first case, on the basis of the report of the Central Bureau of Investigation, the bank initiated disciplinary action against the (then) Branch Manager and the Head Cashier. However the Gujarat High Court has recently stayed the inquiry proceedings and the matter is *subjudice*. In respect of the second case investigated by Central Bureau of Investigation, CBI has already charge-sheeted four persons in the Court of the Additional Chief Judicial Magistrate, Narol, Ahmedabad. This case is also *subjudice*.

Central Bureau of Investigation has registered a third case against the (then) Branch Manager and the Head Cashier of the Kadi branch and two other persons on 31st March, 1980 and the investigation is not yet over.

Further action against the officials involved can be taken only after the stay is vacated in respect of the first case and after the findings of the investigation of CBI in the case presently under investigation become available. In the meanwhile bank has reviewed the procedures for grant of loans to transport operators for the purchase of second-hand vehicles and issued comprehensive guidelines on the subject.

SHRI NARASINGHA PRASAD NANDA: Sir, I have gone through the statement made by the hon. Minister. Three cases have been instituted as a result of this fraud and the statement reveals that a stay has been obtained in one case from the Gujarat High Court and the matter is *sub judice*. And the second case is also pending before the Additional Chief Judicial Magistrate, Narol, Ahmedabad and that matter is also *sub judice*. And there is a third case connected with the fraud and that is still under investigation. And, Sir, we are consoled that after the cases are disposed of and the stay is vacated, further steps will be taken against the guilty bank employees. Now, I would submit that this instance is only the tip

†The question was actually asked on the floor of the House by Shri Narasingha Prasad Nanda.