

defalcation reported in different nationalised banks since nationalisation;

(b) the amounts involved in each of these cases;

(c) the action taken to recover the amount; and

(d) the preventive measures taken in this behalf?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQARULLAH): (a) and (b) The number of cases of 'frauds' in public sector banks with the amount involved during the years 1974, 1975, 1976, 1977 and 1978 (upto 30th June 1978) are given below:

(Rupees in lakhs)

Year	No. of cases	Amount involved
1974	377	71.96
1975	392	218.07
1976	743	608.48
1977	941	328.18
1978	577	294.71

(upto 30th June, 1978)

(c) As soon as a fraud is detected, depending upon the nature and magnitude of the fraud, cases are handed over to the local police or Central Bureau of Investigation for detailed investigation or investigated by the banks themselves departmentally. Banks also file criminal and/or civil suits against the parties concerned for recovery of the banks' dues. Efforts are also made for strengthening the securities and/or getting guarantees. Wherever bank's staff are involved, action is also initiated for recovery of loss from them.

(d) All banks have their own books of instructions indicating the precautions and safeguards to be taken for prevention of frauds and they are constantly kept under review. In the light of the nature of failure in observing the usual internal controls in

individual cases of frauds, Reserve Bank of India issues from time to time comprehensive instructions to the banks indicating the areas and nature of frauds and the safeguards that should be taken for the prevention of the frauds.

NOTE I.—The amounts involved in the frauds do not necessarily represent loss to the Banks.

NOTE II.—The term "bank frauds" generally covers instances of misrepresentation, breach of trust, manipulation of books of account, fraudulent encashment of instruments like cheques, drafts and bills of exchange, unauthorised handling of securities charged to banks, misfeasance, embezzlement, theft, misappropriation of funds, conversion of property, cheating, shortages, irregularities etc.

Seizure of gold from erstwhile Rulers of Indian States

51. SHRI KISHAN LAL SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in 1975-76 Government had seized unaccounted gold from the erstwhile rulers of Indian States; and

(b) if so, what are the details in this regard and what further action has been taken in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) and (b) Yes, Sir.

Unaccounted gold from the erstwhile rulers of Indian States were seized in 1975-76 for contravention of the provisions of Gold (Control) Act, 1968. The details of the cases are as under:—

On 7th September, 1976 Gold Control Officers searched Phulbag Palace Mahishadal in the District of Midnapore and a house at Calcutta and recovered gold articles and ornaments

worth Rs. 4,79,585.00 belonging to Shri Debi Prosad Gorg, the erstwhile ruler of Mahishadal. The case was adjudicated and the seized gold was confiscated but an option was given to redeem the gold on payment of a fine of Rs. one lakh five thousand. A penalty of Rs. six thousand was also imposed. The appeal filed against the adjudication order has been rejected. Now a Revision Petition has been filed before the Central Government and the same is under consideration.

(ii) On 9th October, 1975 gold and articles of gold weighing 3579 gms. valued at Rs. 97,000.00 were seized from Shrimati Mrunalini Devi Paur, family member of erstwhile ruler of Baroda. After adjudication of the case, the seized gold has been released on 21st June, 1977 to the party on payment of a redemption fine of Rs. 1250.00.

(iii) On 24th September, 1975 unaccounted for gold ornaments weighing 744 gms. and 41.000 gms. primary gold was seized from Shrimati Raja Sundari Devi W/o Late Kishore Chandra Bhanj Deo ex-ruler of Daspalla State. The case was adjudicated and seized gold was confiscated but allowed to be redeemed on payment of a fine of Rs. 500.00 in lieu of confiscation. A penalty of Rs. 100.00 was also imposed on her.

On 24th September, 1975, 3463.000 gms. of gold was also seized from Shrimati Trilokya Sundari Devi daughter of late Kishore Chandra Bhanj Deo. The case was adjudicated and gold ornaments were released but primary gold and articles weighing 350.000 gms. were confiscated but allowed to be redeemed on payment of a fine of Rs. 3000.00 in lieu of confiscation. A penalty of Rs. 500.00 was also imposed.

(iv) During 1975-76 gold weighing 13,411.000 gms. value at Rs. 6,41,415.00 was seized from erstwhile ruler of Bhor State (District Pune). The case was adjudicated on 6th January, 1978. All the seized gold was confiscated but allowed to be redeemed on payment of a fine of Rs. one lakh in lieu of confiscation. A penalty of Rs. 5,000,000

each was also imposed on the ex-ruler and his two brothers. Appeal filed by appellants is under consideration of Gold Control Administrator.

(v) During the period from 21st February, 1975 to 11th June, 1975 gold weighing 895.107 Kg. was seized from the erstwhile ruling family of Jaipur. The case was adjudicated. The seized gold was confiscated but allowed to be redeemed on a fine of Rs. 1.5 crores in lieu of confiscation. A penalty of Rs. five lakhs was also imposed. The gold has been redeemed on 6th February, 1978 after payment of fine and penalty. Appeal filed against the adjudication order is under consideration of Gold Control Administrator.

Besides the above-mentioned case a parrot shaped articles voluntarily produced and valued at Rs. 10,000.00 was also seized. The case was adjudicated. The article was confiscated but allowed to be redeemed on a fine of Rs. 2000.00 in lieu of confiscation. The same has been released on payment of the fine.

(vi) In October-November, 1975, gold weighing 150 Kg. was seized from Jai Vilas Palace Gwalior. The case has been adjudicated. Primary gold weighing 49,609 gms. has been confiscated but has been allowed to be redeemed on payment of a fine of Rs. 15 lakhs. A penalty of Rs. 5 lakhs was also imposed on Shrimati Vijaya Raje Scindia. Appeal filed by her is under consideration of Gold Control Administrator.

Information from a few filed formations is still awaited. On receipt of further information, it will be laid on the Table of the House.

Setting up of 5-Star Hotels in New Delhi

52. SHRI SWAMI DINESH CHANDRA:

SHRI SYED AHMAD HASHMI:
SHRI N. K. P. SALVE:

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether Government have recently approved any proposal for the