

of the Employees' State Insurance Corporation under section 36 of the Employees' State Insurance Act^ 1948.

[Placed in Library. See No. LT-5083/73].

**CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE**

**REPORTED IRREGULARITIES AND CORRUPTION IN THE PURCHASE OF STATIONERY AT THE HEAD-QUARTERS OF THE STATE BANK OF INDIA, NEW DELHI**

SHRI P. K. KUNJACHEN (Kerala): Mr. Chairman, Sir, I beg to call the attention of the Minister of Finance to the reported irregularities and corruption in the purchase of stationery worth forty lakh Rupees at the Headquarters of the State Bank of India, New Delhi.

[MR. DEPUTY CHAIRMAN in the Chair]

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): Mr. Deputy Chairman, Sir, the State Bank of India has reported that towards the end of 1971 it received reports regarding overstocking and unsatisfactory handling of stationery at its New Delhi Local Head Office. On receipt of these complaints it asked its Chief Vigilance Officer to make a thorough probe into the matter. The investigation by the Chief Vigilance Officer revealed the following irregularities: —

(i) placing of orders for stationery in several cases in excess of actual requirements and in some cases of items which had become obsolete;

(ii) effecting payments in some cases for stationery received which had not been ordered for and in some other cases paying bills at rates higher than the approved rates;

(iii) accepting in some cases inferior paper for printing and for registers and envelopes, instead of

good quality paper of approved weight; and

(iv) furnishing of incorrect information in several cases to the Rates Committee for sanction of rates.

On the basis of the report of the Chief Vigilance Officer, the bank has initiated departmental proceedings against three officers of the Stationery Department. Of the three, two have been placed under suspension by the bank. All the three officers have been subsequently charge-sheeted by the bank and their explanations have been called for. The bank has also called for the explanation of a few other officers, who have been found responsible for certain other procedural irregularities and lapses in handling, purchase and stocking of stationery.

The State Bank of India has reported that on the basis of the scrutiny conducted by it, out of the stationery of total value of Rs. 114 lakhs purchased by the Regional Stationery Department, New Delhi, during the four years, the total amount of overpayments would be in the neighbourhood of Rs. 1.22 lakhs and overstocking to the extent of Rs. 45 lakhs. The bank has initiated action for recovering amounts paid in excess to the suppliers concerned. Value of losses on account of inferior material supplied is being worked out. Stationery received in excess of requirements, is being utilised by transfer to branches in other Circles where it is needed. The bank has also added that it has taken suitable steps for ensuring the strict observance of prescribed procedures by the Regional Stationery Department, New Delhi, for printing, purchase, stocking and distribution of stationery.

SHRI P. K. KUNJACHEN: Sir, from the statement given by the hon. Minister, it is seen that the incident occurred in the year 1971. A Vigilance Officer was appointed to inquire into the matter-. He had submitted his re-

port in June, 1972. His report revealed these irregularities:

1. Placing of orders for stationery in several cases in excess of actual requirements and in some cases of items which had become obsolete.

2. Effecting payments in some cases for stationery received which had not <sup>Deen</sup> ordered for and in some other cases paying bills at rates higher than the approved rates.

3. Accepting in some cases inferior paper for printing and for registers and envelopes, instead of good quality paper of approved weight.

4. Furnishing of incorrect information in several cases to the Rates Committee for sanction of rates.

Sir, these are grave charges. For these grave charges, what has the Bank done till now? The Bank has taken some action, that is, it has initiated action to recover the amount paid in excess. Sir, the report was submitted in June, 1972. Till now the Bank has miserably failed to recover the amount.

MR. DEPUTY CHAIRMAN: You must be very brief. You can ask for clarifications only.

SHRI P. K. KUNJACHEN: Then the Minister has said that the value of losses on account of inferior material supplied is being worked out. Almost one year has passed. He has also said that stationery received in excess has been sent to other branches for utilisation. So, if the Bank is going to take action like this, it will not suffice. What I wish to state is that this must be referred to the CBI for enquiry. Then only we will be able to get a clear picture and to take serious action against the officials who had been corrupted and who had done these malpractices.

SHRI Y. B. CHAVAN: Sir, the hon. Member has raised one or two points which I will certainly try to explain.

The report was received in the month of June and immediately after that, according to the rules of the State Bank of India, an investigating officer was asked to go into this matter. The report of that officer was received by the end of 1972 or so. Simultaneously, I think, actions were started. Immediately after the receipt of the report of the Vigilance Officer, in June, these two officers were put under suspension in July and further investigations were made. As I said, during the investigation it was found that over-stocking of stationery was to the extent of Rs. 5 lakhs. Now this overstocking is certainly a serious irregularity; there is no doubt about it. But we have to make use of it because we cannot afford to have loss. So they had decided to distribute the overstock to the other branches where it was necessary. This was a right action. In the case of inferior quality material, he asked why it has taken so much time. The difficulty is that the whole process started from 1968 onwards. So whatever was used before, it is very difficult now to make an assessment of that. Therefore, it is taking time. Then he asked why it is that it is not given to the CBI. It is not necessary to send everything to the C.B.I, because there are certain provisions in the Rules and Regulations of the Bank itself to start inquiries and take action against the person concerned. But in the explanation if certain things are brought out or certain things come to our notice which require C.B.I, investigation, certainly that can also be done.

SHRI P. K. KUNJACHEN: The Vigilance Officer's report itself is a great thing. That should be enough to send the case to the CBI. That is why I said (hat it should be sent t& the C.B.I.

SHRI HARSH DEO MALAVIYA (Uttar Pradesh): I must say that the reply from the honourable Minister of Finance is very satisfactory. But I would like to point out certain facts. There is a mention in the press report that certain presses were given the contract to print but those presses

[Shri Harsh Deo Malaviya.]

were not existing in Delhi. The presses were established in Delhi only after the order was placed. Which are these presses? That is number one. Then, it is said that some relatives of the officials are managing these presses. Who are these officials and who are these relatives concerned? That is number two. Then there is another question to be inquired into. There is a reference also in the report that some very big offices were involved. I would like to know who they are. I know a number of offices here and how things happen. When the press submits a bill, the bill is for a higher amount. Supposing the exact cost comes to, say Rs. 10,000, they will submit a bill for Rs. 20,000. Then the bill is sanctioned by the authority concerned. Now, the fellow in the office who makes the sanction gets a certain commission. So I would like the honourable Minister of Finance to ensure that this inquiry should also be made. Certainly there is a case for handing over the whole thing to the C.B.I, because the press report says that even some of the employees in the Bank have pointed out that such a big scandal has been dealt with only departmentally whereas in the past even minor things had been entrusted to the C.B.I. I think there is a case and I would request the honourable Minister kindly to consider these things. There is a case for giving it to the C.B.I, because it is a very stinking scandal and it goes much deeper than what it appears ostensibly. I hope the honourable "Minister will do the needful.

SHRI Y. B. CHAVAN: I will try to deal with the first part. According to my information, so far as I can make out, most of the presses, practically all the presses were in existence, but I cannot say that they were not expanded a little later after getting the orders. I cannot assure about it. . .

SHRI HARSH DEO MALAVIYA: There is a report. . .

SHRI Y. B. CHAVAN: There may be a report. But I am telling you my information. As far as relatives are concerned.. *(Interruption)* no relative of the officers concerned is involved in this. But I cannot say that there may not be relatives of any clerks working in the department, working in the press.

Relationship is a wide thing in our society. I cannot guarantee that possibility. As far as CBI is concerned, I will take note of the suggestion, but I do not want to say that we will give it. It depends on 'be facts that we get.

SHRI BABUBHAI M. CHINAI (Maharashtra): The honourable Minister said that this is going on since 1968 and it was detected in 1972. I only want to ask the honourable Minister this question. The balance-sheets are published every year, 1968, 1969, 1970, 1971 and 1972. In flw balance-sheet there is a column showing stationery so much, stores so much, last year and they are so much this year and so on. It goes on like that from year to year. It is shown in any balance-sheet, whether it is public sector or private sector. And when there is a chartered accountant of the hank or of the company, it is his duty to point out to the concerned concern, that this year the stationery ia so much, last year it was so much, last year it was X and this year it is X plus Y, and so on. Was the attention of the State Bank to this aspect by the auditor? If not, at least the State Bank Managar Director has to sea th^t it is not increased by leaps and bounds like this. Why was not any action taken for four or five years? And all of a sudden after four years it is realised now. You have got a mirror before you at the end of every year. Why did you not take action then and there? Will the honourable Minister kindly enlighten us on the=e points?

SHRI Y. B. CHAVAN: It is a very relevant point, but I won't be able to enlighten him en this point because I do not know whetbe' it has been brought out In the Audit Report. But

certainly it was brought to the notice of the management at the end of 1971 that there were some irregularities going on in the Department. That is why they decided to hand over the whole thing to the Vigilance Commission. Whether it *h* reflected in the audit report or not, I have no information. I agree that it should have been done.

**श्री नागेश्वर प्रसाद शाही (उत्तर प्रदेश) :**  
श्रीमन चिनाई साहब ने जिस ओर ध्यान दिलाया उसी ओर ध्यान दिलाते हुए मैं कहना चाहता हूँ कि इस बैंक का भी बैलेंस शीट हर साल बनता है और आगे का भी बजट बनता है तो बजट बनाने समय यह ध्यान रखा जाता है कि अगले साल के लिये जो खर्चा रखा जाता है वह पिछले वर्ष के खर्चों के हिमाव से रखा जाय, अगर पिछले साल स्टेशनरी का खर्चा 20 लाख रुपया रहा तो बजट में जो प्राविजन करेंगे वह 21 लाख या 22 लाख रुपया कर देंगे, ऐसा नहीं करेंगे कि उसे 10 लाख रुपया बढ़ा देंगे और 30 लाख रुपया कर देंगे। यह आप स्वयं स्वीकार करते हैं कि ओवर स्टॉकिंग हुई तो ओवर-स्टॉकिंग का मतलब है कि बहुत ज्यादा प्राविजन करके ज्यादा स्टॉक खरीदा गया। तो इसकी ओर आडिट ने जरूर ध्यान दिलाया होगा और यह हुआ तो ऊपर के लोग भी जरूर शामिल होंगे। मैं मंत्री जी से जानना चाहूंगा कि यह बैलेंस शीट में या बजट में दिखाया गया है या नहीं दिखाया गया है और जिस साल यह ज्यादा रुपये की खरीद हुई तो उस साल इतना ज्यादा प्राविजन कर दिया गया है यह कैसे हुआ।

दूसरी बात यह है कि मंत्री महोदय ने कहा कि यह जरूरी नहीं है कि हर मामले को सी० बी० आई० को सौंप दिया जाय लेकिन इसमें जो तथ्य सामने आये हैं और माननीय मंत्री जी ने जो तथ्य स्वयं बताये हैं उनमें प्रकट होता है कि कुछ नीचे के लोग

और कुछ ऊपर के अफसरान इसमें शामिल हैं। जो स्टॉक प्रेस से आता है तो आपने कहा कि खराब किस्म का कागज इस्तेमाल किया गया तो जो स्टॉक प्रेस से आता है उसको देखना और सर्टिफाई करना तो नीचे के लोगों का काम है लेकिन उसको पास करना, उसको सैक्शन करना, उसका पेमेंट कर न के लिए सैक्शन देना ऊपर के लोगों का, अफसरों का, काम है। तो नीचे के लोग और ऊपर के लोग शामिल नहीं होते, कोई उनकी कननाइवेंस न होती, कोई साजिश न होती तो इस तरह की बात न होती और साजिश के मामले में डिपार्टमेंटल ऐक्शन नहीं हो सकता, डिपार्टमेंटल ऐक्शन केवल इर-रेगुलैरिटी के मामले में हो सकता है, आप इसको इररेगुलैरिटी कहते हैं और हम इसको साजिश कहते हैं, जान बूझ कर इन लोगों ने साजिश किया बैंक को चीट करके ताजायज फायदा उठाने के लिए, तो ऐसे केसेज में डिपार्टमेंटल ऐक्शन के द्वारा जो सजा मिलेगी वह वाजिब और पूरी सजा नहीं होगी, उनको डिमिशन करने के अलावा और ज्यादा सजा नहीं हो सकती लेकिन जो मामला सामने है उसमें जाहिर है कि साजिश इन लोगों की थी बैंक को चीट करने के लिए इसलिए अगर माकूल सजा दिलानी है तो वह अधिकार केवल कोर्ट को है और यह चीज सी० बी० आई० के माध्यम से जांच होने पर ही हो सकती है तो मैं मंत्री महोदय से जानना चाहता हूँ कि इस मामले में जो तथ्य आपके सामने आए हैं उनके आधार पर क्या आप उचित नहीं समझते हैं कि इसको क्रिमिनल अफेस मानें और क्रिमिनल कोर्ट में मामला जाना चाहिये और क्रिमिनल कोर्ट में मामला भेजने का अधिकार केवल सी० बी० आई० को है।

SHRI Y. B. CHAVAN: The first point was the same as was raised by Shri Babubhai Chinai because he also mentioned about the Audit Report Audit Report normally relates to the entire working of the Department.

[Shri Y. B. Chavan.]

Since this irregularity is in respect of one region, I do not think it is reflected in the Audit Report. As far as the suggestion is concerned, I have not ruled it out. It depends upon the revelation that will be made in the course of the explanation that is received. After that, if it is found necessary, the State Btwnk of India Board of Directors will 'look into the matter.

**श्रीमती सीता देवी (पंजाब) :** उप-समापन मह दय जो कुछ मिनिस्टर साहब ने कहा है यह ठीक है कि उन्होंने बड़े विस्तार से कोशिश की है इस बारे में एक्सप्लेनेशन को देने की लेकिन मैं यह कहना चाहती हूँ कि इस प्रकार के जो वाक्यात हैं वे कभी सड़नली नहीं हो जाते और आम तौर पर बैंकों में जहाँ कि हमारे एक-एक पैमे का और हर एक चीज का इतना हिमाव रखा जाता है तो मैं यह समझती हूँ कि यह एक बड़ी भारी काम्प्रेसी का परिणाम है और छोटे मोटे अफसरों को या अधिकारियों को आप सस्पेंड कर तो कुछ होने वाला नहीं है । मेरे विचार में इसके पीछे तो बड़े बैंक के जो कर्मचारी है, अधिकारी है, उनका हाथ है और सबसे बड़ी बात जो हमें इरिटेड करती है वह यह है कि जो हम समाजवाद का नारा लगाने है, और हमने बैंक नेशनलाइज किये, उस में इस किस्म के वाक्ये आए दिन जो बैंकों में होते हैं उसमें लोगों के अन्दर बड़ी भारी नाराजगी ही पैदा होती बल्कि समाजवाद के खिलाफ भी जो अगोजीशन बातें हैं कहने हैं . . . . .

**श्री लोकन थ मिश्र (उड़ीसा) :** क्या गलत कहते हैं ?

**श्रीमती सीता देवी :** और मिश्र जो जैसे लोगों के हाथ में एक बहुत बड़ा हथियार आ जाता है । इसलिए मैं यह कहना चाहती हूँ कि इस केस की आप इन्क्वायरी करवा ही रहे हैं, ऐक्शन भी लेंगे, परन्तु ऐसा जरूर

होना चाहिए कि भविष्य में इस प्रकार के घोटाले जो हैं वे बैंकों में न हों जैसा कि आम तौर से होता है, कई दफे रफा दफा भी हो जाते हैं, कई दफा मने देखा है बड़े बड़े अपराधी छूट भी जाते हैं । मैं मिनिस्टर साहब से कहूंगी, इसकी बड़ी अच्छी तरह से इन्क्वायरी कराके, चाहे बड़े से बड़े कर्मचारी भी इसके अन्दर क्यों न आते हों, उनके ऊपर स्ट्रांग ऐक्शन लें ताकि आयादा इस प्रकार की बातें बैंकों में न हो पाएँ ।

SHRI Y. B. CHAVAN; Sir, I think I have answered practically most of the points. I can very well understand the sentiments of the Members and I think in this Vigilance Commission Investigation Report, which is being pursued further, possibly we will find some answers.

**STATEMENT BY MINISTER RE.THE  
RESULT OF MARKET LOANS FLOATED  
BY THE GOVERNMENT OF INDIA  
IN MAY, 1973**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): Sir, I beg to lay on the Table a statement (in English and Hindi) indicating the result of Market Loans floated by the Government of India in May 1973. [Placed in Library. See No. LT-5077/73].

**REPORTS OF THE COMMITTEE ON THE  
WELFARE OF SCHEDULED CASTES  
AND SCHEDULED TRIBES**

SHRI ROSHAN LAL (Himachal Pradesh): Sir, I beg to lay on the Table a copy each of the following Reports of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes:—

(i) Nineteenth Report on the Ministry of Shipping and Transport (Transport Wing)—reservations for and employment of Scheduled Castes and Scheduled Tribes in selected Major Ports, viz, Bombay, Marmu-gao and Cochin on 7/ost Coast, and Madras, Vishakhapainam and Calcutta on East Coast