

operation on a voluntary basis both in public and private sector undertakings since 1958. Government have also decided to introduce a scheme for appointment of a worker's representative on the Boards of Management of some appropriate public sector undertakings. The Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970 framed under the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 *inter alia* provides for the appointment of one Director from among the employees of the Nationalised bank, who are workmen, on the Board of Directors. A scheme for the workers to hold some shares in suitable central public undertakings is also under consideration of the Government.

12 Noon

CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

REPORTED MISAPPROPRIATION OF SIXTY
LAKHS OF RUPEES FROM THE
PARLIAMENT STREET BRANCH OF
THE STATE BANK OF INDIA

SHRI A.G. KULKARNI (MAHARASHTRA): Sir, I beg to call the attention of the Minister of Finance to the reported misappropriation of sixty lakhs of rupees from the Parliament Street Branch of the State Bank of India.

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE/वित्त मंत्रालय
में राज्य मंत्री (SHRI K.R. GANESH) Mr.
Chairman, Sir at about 12.20 P.M. on
the 24th May, 1971 Shri V. P. Malhotra,
Chief Cashier of the State Bank of
India, Parliament Street, is reported to
have taken out a sum of Rs. 60 lakhs in
hundred rupee notes from the currency

chest of the State Bank of India, Parliament Street Office. According to the Officer-in-Charge of Cash, and the Deputy Chief Cashier responsible for the withdrawal of cash from the Currency Chest who gave the above information Shri Malhotra told them that the money was needed for making some large payment. He is further reported to have told the Deputy Head Cashier that he would give him the relative voucher shortly. The money was taken by Shri Malhotra in the bank's staff car requisitioned by him from the Security Officer for some urgent official work. Shri Malhotra had the box containing Rs. 60 lakhs kept in the bank's car, drove it himself and took it to a short distance from the bank's office where he was allegedly met by some person, who sat with him in the car.

At about 2.30 p. m. Shri Malhotra accompanied by a police officer came to the Parliament Street Police Station to report that he had fallen a victim to a fraud of Rs. 60 lakhs and the box containing the money had been shifted into a taxi at Sardar Patel Marg. The police investigation started soon thereafter.

At about 10.30 p. m. on 24.5.71 the entire amount with the exception of a sum of Rs. 5,700 is reported to have been recovered from one Shri Rustam Sohrab Nagarwala who was arrested by the police. Subsequently, at the instance of the accused a further sum of Rs. 2,600 was recovered from a friend of his. By an order of the court, the sum of Rs. 59,94,300 has been entrusted to the State Bank of India, under bond.

Shri Nagarwala was produced before the Judicial Magistrate Ist Class on 27th May, 1971. Shri Nagarwala pleaded guilty to the charges framed against him under Section 419/420 I.P.C. The court convicted him and sentenced him to undergo 2 years rigorous imprisonment and a fine of Rs. 2,000 in default to undergo rigo-

rous imprisonment for a period of six months under Section 419 I.P.C. and Rigorous imprisonment for a period of 2 years and a fine of Rs. 2000 in default to undergo Rigorous Imprisonment for six months under Section 420 I.P.C. The two sentences are to run consecutively.

The State Bank of India authorities are separately investigating into the various aspects connected with this incident. Shri V.P. Malhotra has been suspended by the bank management pending investigation.

[MR. DEPUTY CHAIRMAN in the Chair]

SHRI A.G. KULKARNI: The whole matter is so thrilling that it is just like a thriller story of a high order and I am sorry for it because it has happened in the State Bank of India which has a reputation of about 100 years of working. I want to ask only three questions. May I know how this Mr. Nagarwala, on the spur of the moment thought of this scheme and hypnotised a cashier like Mr. Malhotra who had a service of 26 years or so? How was Mr. Malhotra hypnotised by Mr. Nagarwala? What was the rationale and may I know whether the Government or the police have investigated as to how such a miracle happened because it had never happened anywhere? It was a great miracle.

Then I want to know another point. While the trial of Mr. Nagarwala has taken place why was not this Mr. Malhotra associated with the trial? I do not understand why Mr. Malhotra has been left out and not hauled up before the court and charges framed against him. So it seems it is necessary that the Government should ask the Police Department or the CBI or whatever it is to go deep into it. It is not enough that the matter has been given out. A more credible story must come from the Government side otherwise people will not believe what is alleged to have

happened. So I request that the Government should probe into it, find out all the facts and put them before the people so that they can have reliable information. The name of Bangla Desh has also been dragged into this and that is why I want to draw the attention of the Government.

SHRIS.D. MISRA (Uttar Pradesh): Why Bangla Desh? The Prime Minister's name is involved.

SHRI A. G. KULKARNI: Your object, Mr. Misra, is something different, my object is for a constructive approach to find out the facts. You may say anything you like, I am not concerned with it. Why I am saying this is, it is people like him, Sir, who are interested in dragging the Prime Minister's name, the name of Bangla Desh and all these things. That is why I want them to go deep into it. Because the name of Bangla Desh has been brought in, perhaps some foreign power or some political party may be behind the whole thing. That is why a more detailed probe is necessary and a more credible story must come from the Government.

Sir, I am really surprised that there has been no interrogation of Mr. Malhotra. He has not been produced before the Judicial Magistrate. Why is it like that?

And lastly, what is the nature of the working of the State Bank of India and what steps Government propose to take to haul up the responsible officers in the State Bank of India so that the credibility of the Bank does not suffer?

SHRI K.R. GANESH: Sir, I share with Mr. Kulkarni that this is a very fantastic story.

(Interruptions)

SHRI BHUPESH GUPTA (West Bengal): It is all right as long as you share the story and not the money.

SHRI K.R. GANESH : Sir, I was saying that I agree with Mr. Kulkarni that this is a very fantastic story. The statement that has appeared in the press about the confession of Mr. Nagarwala also makes very fantastic reading.

SHRI BHUPESH GUPTA : We are living in a world of phantasy.

MR. DEPUTY CHAIRMAN : Order please.

THE LEADER OF THE OPPOSITION : (SHRI M. S. GURUPADASWAMY) Everything is fantastic here.

SHRI K. R. GANESH : Therefore it is not possible for me to go into this psychic question of how Mr. Nagarwala hypnotised Mr. Malhotra. That is a point which it is not possible for me to go into.

SHRI A.G. KULKARNI : At least can you enquire into that now ?

SHRI K. R. GANESH : As far as Mr. Malhotra is concerned, he has been suspended by the State Bank of India.

SHRI M.S. GURUPADASWAMY : Not arrested?

SHRI DAHYABHAI V. PATEL (Gujarat): Why not arrested?

SHRI K. R. GANESH : The police is still investigating his criminal liability under section 409. So the police investigations are still proceeding.

As far as our Ministry is concerned.....

SHRI SYED AHMAD (Madhya Pradesh) : What has been done.

MR. DEPUTY CHAIRMAN : No interruption please.

SHRI K.R. GANESH : As far as the working of the State Bank of India and the violation of the procedures which Mr. Malhotra and his other associates indulged in are concerned the State Bank has already started an enquiry. A very senior officer of the State Bank from Bombay who is an expert in this procedure has been sent. Malhotra has been suspended. The three other officers concerned, the Officer in charge of cash, the deputy chief cashier and the deputy head cashier have been removed from their charge, and further investigation by the State Bank as far as the violation of the State Bank's procedure is concerned is being conducted.

SHRI A.G. KULKARNI : My question was whether Government will institute a CBI enquiry into the criminal and political aspects of the fraud. What is the reply of the Government on that?

SHRI K.R. GANESH : The matter is already before the police and the police is conducting an enquiry.

SHRI A.G. KULKARNI : The police are not sufficient for this job.

SHRI K.R. GANESH : The police has done a good job.

SHRI BHUPESH GUPTA : In England if such a thing happened, people would not leave it to the Scotland Yard. There, there will be a Royal Commission. CBI means nothing.

SHRI K.R. GANESH : I was submitting, firstly, that the police as far as the recovery of the money and the tracing of the accused are concerned has done a good job, and the police is investigating. After the police investigation is completed, the Government will take all factors into consideration and take its own decision.

SHRI M. K. MOHTA (Rajasthan): The whole matter is so much shrouded in mystery that it is not clear I think also to other Members of the House as to what really happened and how it happened. The evidence given by the convicted Nagarwala, whatever his name, is also so fantastic that it is rather unbelievable. How is it that an officer of the bank did not take the elementary precaution of phoning back the Prime Minister's house, and he claims that he thought that he received a call from the Prime Minister's house? It was an elementary precaution to phone back to the Prime Minister's house and get it confirmed before taking out that money from the treasury. How is it that such a simple step was not taken? How is it that an ordinary employee of the State Bank has such wide power that he can take such a large amount of money as Rs.60 lakhs without the consent of the higher officers of the bank, without any document, without either a cheque or pay order or any other document asking the bank to pay this money? Not only that he was taking it out in a car and driving with that money; he could have gone away somewhere else instead of giving it to Nagarwala. How is it that so many things were not done? Thirdly, how is it that this cashier of the State Bank of India has not been proceeded against by the Government up till now? I think that so many mysterious circumstances surround this case that an investigation by the police perhaps would not serve the ends of justice. Therefore, I demand that this man may be brought before this hon. House and may be examined here, so that the entire story may come out and we may know how it all happened.

SHRI K. R. GANESH: I already submitted and I agree with the hon. Member that the whole thing is fantastic. About that there is no dispute.

SHRI M. K. MOHTA: And mysterious.

SHRI K.R. GANESH: It looks to be mysterious, but not the mystery that is in your mind.

SHRI M. K. MOHTA: How can you say that?

SHRI DAHYABHAI V. PATEL: Is he a thought reader? This is not the way to answer. He is a Minister. He must answer on facts.

SHRI K. R. GANESH: I withdraw my intrusion into mind-reading if that would satisfy the hon. Member. I withdraw my intrusion into mind-reading.

SHRI MAHAVIR TYAGI (Uttar Pradesh): Could he tell as to whether he has submitted a mercy petition?

(Interruption)

SHRI K. R. GANESH: The other relevant question that has been asked is how it is that an employee of the State Bank of India could take out such a huge amount of money in the manner that he has taken out. Sir, as I submitted, the Chief Cashier, Mr. Malhotra, has violated all rules of the State Bank as far as the question of taking out money and as far as the question of other procedures are concerned. But I would submit that here is a Chief Cashier who is responsible for taking out money along with the officer in-charge of the Bank from the currency desk. If the man who is responsible for taking out money himself does this job, then what can be done about it? That is the position. This actually is the fact of the matter. *(Interruptions)*. Sir, I seek your protection. I am being cross-examined more than Mr. Malhotra. I am also trying to answer the questions. *(Interruptions)*. As far as Mr. Malhotra is concerned,

[Shri K.R. Ganesh]

I submit that he has been suspended.

AN HON. MEMBER: What is 'suspended'?

SHRI K. R. GANESH : He has been suspended. As soon as police Investigation—criminal liability under Section 409—is completed, we will realise what is the position, Sir.

SHRI M.K. MOHTA: Sir, my question has not been fully answered. It is one thing for a cashier to take out money from the safe of the Bank so long as the money is in the premises of the bank and for the purpose of the bank, and it is quite another thing for that man to take it out of the premises of the bank, getting into a car and driving away. In that way so many other employees will go on taking money from the bank, get into a car and drive away. It is not a regular thing. Secondly, the hon. Minister has not replied to the question whether it is a general practice for the employees of the State Bank to go on paying out money on telephone calls, whether it is the Minister or client or anybody. After all, some document is needed, some pay order or some cheque or some instructions are needed for a bank to act upon. I mean, nobody can go on paying money just on instructions over the telephone. What about these two points? If I go to the State Bank as a client, to encash a cheque, it takes 40 minutes or more for him to pay the money. But here is a gentleman who pays out Rs. 60 lakhs on a telephone call. How is this possible?

AN HON. MEMBER : Was it unaccounted money?

SHRI K.R. GANESH: Sir, I agree with the hon. Member that what Mr. Malhotra did his taking out the money from the chest and all the rest of the operation that he was involved in—was

highly irregular, was against all Bank rules, for which he will have to pay the penalty. According to the procedure I deny that there is in the State Bank of India any practice of money being taken out on phone calls as Mr. Malhotra had done. Here is a freak case. All that we know is the report that has come out. All that we know is what is there in the newspapers and the confession of Nagarwala or the statement which Mr. Malhotra has given. That is all we know. Therefore, it is a freak case, and I do not think that a generalisation is right.

श्री सुन्दर सिंह भंडारी (राजस्थान) : यह घटना चार दिन पहले हुई है और इसी अवधि में न केवल माल बरामद हुआ है, बल्कि जिसके ऊपर माल ले जाने का इल्जाम है उसको सजा भी दे दी गई है। सारा मामला न केवल मुस्तैदी का बल्कि अधिक मुस्तैदी का दिखाई देता है। ओवर-स्मार्टनेस इसमें प्रकट हुई है।

संसदीय कार्य विभाग तथा नौवहन और परिवहन मंत्रालय में राज्य मंत्री (श्री ओम् मेहता) : करें तब भी मुश्किल, न करें तब भी मुश्किल।

श्री सुन्दर सिंह भंडारी : श्री ओम् मेहता ओवर-स्मार्ट न बनें, वह अच्छा नहीं होगा।

कल नागरवाला का इकबालिया बयान अदालत में पेश हुआ। मैं मंत्री महोदय को केवल कुछ फेक्ट्स के बारे में बताने के लिए कहूंगा। क्या नागरवाला के इकबालिया बयान के बाद अदालत ने जो-जो बातें नागरवाला ने मलहोत्रा के नाम पर कोट कीं, कहीं उस सम्बन्ध में मलहोत्रा को अदालत में बुला कर उन पर मलहोत्रा का क्या कहना है, यह अदालत ने सुना। उसी प्रकार से जिन टैक्सियों का उपयोग नागरवाला ने किया क्या उन दो टैक्सी वालों से अदालत ने इस बात की पुष्टि की कि जो कुछ इकबालिया बयान में कहा गया है वह सत्य है या

इस सम्बन्ध में और भी कोई वर्जन है मलहोत्रा का टैक्सी वालों का जिनको इस सम्बन्ध में कुछ कहना है क्यों नागरवाला के बयान में उनका हवाला दिया गया है ?

तीसरी चीज में यह जानना चाहूंगा कि क्या यह बात सच है कि नागरवाला ने अपने बयान में दो बातें कही हैं :

“It was never my intention to cheat or defraud.”

दूसरे यह कहा है :

“It was purely a hoax.”

ये दो चीजें कही हैं । क्या सरकार ने जब एक दिन पहले यह मामला रिपोर्ट हुआ, उस दिन यह बात कही थी कि नागरवाला ने टैक्सी स्टैंड पर बैक की गाड़ी से वह रुपये का बक्स निकाल कर टैक्सी में रख कर पालम जाने के लिये और इस मलहोत्रा को प्राइम मिनिस्टर के घर जा कर रसीद प्राप्त करने के लिये कहा था । दूसरे इसी नागरवाला ने एक लेदर बैग और एक दूसरा थैला ले कर के जिस बक्से में वह रुपया था उससे दूसरे में बदल कर उसे किसी अन्य जगह छिपाने की कोशिश की थी ।

क्या सरकार ने पालम एरोड्रोम पर उस समय दोपहर में यहां से खाना होने वाले हवाई जहाजों में इस बात को चेक किया है कि क्या नागरवाला के नाम से कोई सीट उस दिन बुक कर ली गई थी या उस समय खाना होने वाले विमानों में कोई सीट जो बुक की गई थी, उस पर कोई पैसेंजर बैठ कर के नहीं गया और उस प्रकार के न जाने वाले पैसेंजर का आइडेंटिफिकेशन क्या श्री नागरवाला की हुलिया से मिलता है । माननीय मंत्री जी इस बात की सफाई दें कि क्या इस बात की जानकारी की गई है ।

आपने बताया कि 57 सौ रुपया छोड़ कर बाकी राशि बैंक में जमा कर दी गई है । आपने यह भी स्वीकार किया है कि 26 सौ रुपया बरामद

हुआ है, उनके मित्र के यहां से। उस 26 सौ रुपये का क्या हुआ, क्या यह बात सत्य है कि उस दिन जब नागरवाला के धर्मशाला के कमरे में पुलिस पहुंची तो एक टायर में से 31 हजार रुपये बरामद हुये एक अनलाइसेन्ड रिवाल्वर और 6 कारतूस बरामद हुये ? यदि यह सत्य है तो क्या पुलिस ने इस मामले में कोई आगे कदम उठाया है या नहीं ?

दो दिन पहले लोक सभा में जब इस प्रश्न पर चर्चा हुई तो यह कहा गया कि नागरवाला प्राइम मिनिस्टर के घर से परिचित व्यक्ति नहीं हैं । इस सम्बन्ध में क्या सरकार ने और जानकारी की है और क्या यह सरकार इस बात को इन्कार करने की स्थिति में है कि प्राइम मिनिस्टर के घर में उनके पुत्र या उनका कोई रिश्तेदार नागरवाला से कतई परिचित नहीं हैं ।

श्री एस० डी० मिश्र : कह दीजिये कि फैंटास्टिक है ।

श्री सुन्दर सिंह भंडारी : कह सकते हैं ।

SHRI K. R. GANESH : Sir, I do not think the honourable Member will like me to comment on the procedure that the court has adopted.

SHRI SUNDAR SINGH BHANDARI : I only wanted a statement of facts, whether he was examined. That is all.

SHRI K. R. GANESH : Sir, from the statement that has come out in the press I understand that Mr. Malhotra...

SHRI LOKANATH MISRA (Orissa) : Is the Minister to rely on the statement appearing in the press while informing the House?

SHRI K. R. GANESH : Sir, I do not have a certified copy with me.

SHRI LOKANATH MISRA : Mr. Deputy Chairman, it is for you to give a ruling because this would give us guidance. Is the Minister to rely

[Shri Lokanath Misra]

on newspapers which each Member of Parliament has already read? We have already read in the newspapers about what Nagarwala said or what ever happened in the court. Do we have to waste all this time in order to hear from the Minister what the newspapers say?

MR. DEPUTY CHAIRMAN : The honourable Minister will try to give whatever additional information he has got.

SHRI A. G. KULKARNI : We want to know the factual information. Has the Government made any effort to get the factual information?

(Interruptions)

SHRI LOKANATH MISRA : They are not Ministers, they are phantoms..

(Interruptions)

SHRI K. R. GANESH : Sir, I protest against the use of that word.

SHRI SUNDAR SINGH BHANDARI : We are sorry, you cannot protest.

SHRI K. R. GANESH : Why not? I have also some right in this House. I protest.

DR. BHAI MAHAVIR (Delhi) : Sir, I want to know what the Minister is protesting against.

MR. DEPUTY CHAIRMAN : May I appeal to all Members that they should give a patient hearing to the honourable Minister? If there are persistent interruptions how can you expect the honourable Minister to reply? I have already said that apart from the news published in the newspapers if the honourable Minister has got any additional information, he will give that information to the House.

SHRI GODEY MURAHARI (Uttar Pradesh) : Sir, this matter involves not only the Finance Ministry. It also involves the Home Ministry. The entire gamut of police investigations, I think, comes under the Home Ministry and the Home Ministry also should have been present here when this matter was taken up because I am sure Mr. Ganesh would know nothing of what has taken place either in the court or before the police. Therefore, I can very well see his position. He will not be able to give any answer to the questions that are being put here. Therefore, I would request you that in future where a question of this type is taken up, where two Ministries are involved, it is better if the other Minister concerned is at least present.

SHRI BHUPESH GUPTA : We are interested in objective answers. Therefore, neither should we provoke the Minister nor should he get provoked. This is my advice to him because it will be natural for us to provoke him. So as a Minister he should be very careful. Once he gets provoked, he will not be able to control his word. Something may fall from his lips which may lead to further complications.

MR. DEPUTY CHAIRMAN : Mr. Ganesh, do you want to reply to Mr. Bhandari?

SHRI K. R. GANESH : I have only one point to repudiate. I want to repudiate that Mr. Malhotra had any connection with the Prime Minister's house.

SHRI SUNDAR SINGH BHANDARI : My question was not that. Sir, I want your protection now.

SHRI K. R. GANESH : I also repudiate that Mr. Nagarwala had any connection with the Prime Minister or her staff or her house.

SHRI SUNDAR SINGH BHAN-DARI : What about other queries?

MR. DEPUTY CHAIRMAN : He has already replied to other questions.

SHRI SUNDAR SINGH BHAN-DARI : No, not a single question has been answered.

MR. DEPUTY CHAIRMAN : Which particular question do you want him to reply?

श्री सुन्दर सिंह भंडारी : मैंने यह पूछा था कि क्या बल अदालत में इकट्ठा बयान के बाद मलहोत्रा के, टेक्सी वालों का बयान हुआ ? कोई उसका क्लेरिफिकेशन हुआ या नहीं ?

MR. DEPUTY CHAIRMAN : He has already replied to that question.

SHRI SUNDAR SINGH BHAN-DARI : Nothing has been replied to.

MR. DEPUTY CHAIRMAN : Let there be no repetition of questions.

श्री सुन्दर सिंह भंडारी : मैंने यह पूछा था कि 2,600 रुपये और 30,000 रुपये और रिवाल्वर और कार्टिजेज के बारे में क्या हुआ ? उनके बारे में तो जानकारी देनी चाहिये ।

SHRI K. R. GANESH : As I said, I do not have a certified copy of the judgment of the Magistrate.

SHRI LOKANATH MISRA : Then let us postpone.

SHRI MAHAVIR TYAGI : There is lot of misunderstanding created and I hope he will contradict what I am going to say. Was this Nagarwala given any assurance of *bakshis* for making a confession? If not, please contradict it.

SHRI K. R. GANESH : I have no information.

SHRI S. D. MISRA : Let him repudiate that also.

SHRI BABUBHAI M. CHINAI (Maharashtra) : If there is no information, what is the idea of pursuing this matter?

MR. DEPUTY CHAIRMAN : If anybody is offered *bakshish*, how does the hon. Minister know about it?

SHRI BABUBHAI M. CHINAI : Let us postpone this discussion to the next day when the hon. Minister can come to the House fortified with all the material information.

SHRI LOKANATH MISRA : That will be more purposeful. If you want to waste the time of the House, then it is a different matter.

SHRI MAHAVIR TYAGI : Despite the silence of the Minister, I take it that no such assurance was given to Nagarwala.

SHRI M.S. GURUPADASWAMY : I want to make a submission. Since the Minister is not in a position now to clear all our doubts. . (*Interruption*). Why are you interrupting me? I do not understand it I am making a submission to the Chair, not to you.

SHRI AWADHESHWAR PRASAD SINHA (Bihar) : Why do you get angry at every stage? Have a little smile.

MR. DEPUTY CHAIRMAN : Order, order.

SHRI M.S. GURUPADASWAMY : I am making the submission to the Chair and not to anybody else. Why is he so much worried?

The Minister obviously is not in a position to answer all the questions and clear our doubts. This is a very

[Shri M. S. Gurupadaswamy]

important question and I want that on suspicion should lurk in the mind of anybody. If there are suspicions about certain members in the Treasury Benches, that suspicion also should not be there. With a view to avoiding any embarrassment to any, I suggest that he should collect all the facts and he should get a certified copy of the statement made by various people before the police and if there is any statement made by the taxi driver or the friend with whom the money was kept or any other person who is involved, he should get that also. He should also find out whether the Prime Minister wants to make a statement or anybody else wants to make a statement. All these are relevant. Therefore, I submit that this question may not be taken up today. It may be postponed till tomorrow which means Monday. We are not anxious to embarrass anybody.

SHRI A. G. KULKARNI : Sir, on a point of order..

SHRI BHUPESH GUPTA : Sir, let me say this much .

MR. DEPUTY CHAIRMAN : First, point of order.

SHRI A. G. KULKARNI : I oppose the suggestion made by the Leader of the Opposition. My Calling Attention was addressed to the Finance Minister and the scope of that was to know the financial aspect of the matter..

SHRI SUNDAR SINGH BHANDARI : You are not the only member concerned.

SHRI A. G. KULKARNI : You please sit silently.

SHRI SUNDAR SINGH BHANDARI : I am also one of the members to put questions on this matter.

SHRI A. G. KULKARNI : I am making out my point. You do not get excited. Sir, my submission is that the scope of the Calling-Attention motion is limited only to the financial aspect of the matter involved.

SHRI DAHYABHAI V. PATEL : You are not the only man. Others are signatories to that.

SHRI BABUBHAI M. CHINAI : Sir, I am on a point of order...

(Interruptions)

SHRI A. G. KULKARNI : Sir, I am on a point of order....

(Interruptions)

MR. DEPUTY CHAIRMAN : Well, Mr. Chinai, he is already on a point of order.

SHRI A. G. KULKARNI : Sir, I am not going to yield.

SHRI BABUBHAI M. CHINAI : Sir, how can he say that? He is not the only man. There are others also.

(Interruptions)

SHRI A. G. KULKARNI : Sir, I have not yet finished. My point of order is this: If the Members are interested to know what the statement is and what the police investigation is, the Calling Attention Motion can stand in the name of the Home Ministry and let them give it and if he is agreeable let them accept this. But I am here to know the financial aspect of the matter involved and therefore, there is no reason why the matter should be postponed.

SHRI BHUPESH GUPTA : Sir, I want to make a submission. My submission is something in between. As far as my friend is concerned, he is not the only signatory.

SHRI A. G. KULKARNI : I did not say that I am the only signatory.

SHRI BHUPESH GUPTA : Nor I am. Now, when you get up nobody can make you set and it requires a bulldozer to do it. Now, Sir, the position is this. Questions have been given and obviously people have different aspects in mind which they would bring in the light of their knowledge. Now it relates not only to the Finance Ministry, but a matter of that nature relates also to the Home Ministry and in fact, it relates to the Government as a whole. Therefore, Sir, more facts will be required and the Home Ministry is expected to make a statement certainly with regard to those matters which come within the jurisdiction of the Home Ministry and it is very relevant in this context, Sir. At the same time, I do not see any reason why you should postpone it. We are not precluding others from asking more questions, from raising it again and again and turning to the subject when more facts would come to light—more facts are going to come out—and in that event, Sir, as soon as we get the statement and we are convinced that they are genuine statement, it is open to raise it and call the attention of the Home Minister to answer. Therefore, Sir, I say, let us pursue it today and find out as much as we can and then obviously it will be necessary to return to the subject again when we get the facts from the Home Ministry.

Sir, I hope, you as the custodian of the House will appreciate that this is not a small matter. I think Sami Patel has paled into insignificance before this thing; Man Singh is only a pickpocket compared to this; Sherlock Holmes does not cover the subject at all; for the American underworld it will be a very small matter.

SHRI M. K. MOHTA : What about KGB? Does it match this?

SHRI BHUPESH GUPTA : As far as my friend is concerned, he is a big money' man and we should

hear him because they have also big money defalcation..

(Interruptions)

MR. DEPUTY CHAIRMAN : All right, please continue.

SHRI BHUPESH GUPTA : Therefore, I would tell my friend, let us proceed. We are not going to leave it. He has said that it is fantashi we are not going to leave it. We would like to know what the hard facts are. So let us proceed and we might get some more facts even. My friend, Mr. Ganesh was answering questions. He is the Minister in the Ministry of Finance and we do not expect him to answer for the Home Ministry. He can avoid all those things and then we shall come to the subject.

MR. DEPUTY CHAIRMAN : All right. Mr. Muniswamy.

SHRI N. R. MUNISWAMY (Tamil Nadu) : Sir, this episode has created a good deal of confusion amongst all the persons. They have implicated the name of Smt. Indira Gandhi and Mr. Haksar. It is but natural for every one of us to be exercised over this and it is natural to expect that it is cleared. Now, Nagarwala has been convicted. He committed the offence 24 hours before and has been convicted after 24 hours. Therefore, Sir, what has happened is beyond all conception of judicial procedures. Whatever it is, he has been convicted. What I am saying is that in the interest of the Government itself, Smt. Indira Gandhi and Shri Haksar must be cleared somehow or other. Otherwise it would mean that it is stage-managed and convicting the man without clearing these people, Smt. Indira Gandhi and Shri Haksar, would mean keeping us in doubt. Therefore, I want to know whether the Government would take steps to see that they, Smt. Indira Gandhi and Shri Haksar, are cleared and their names are not allowed to

[Shri N. R. Muniswamy]

be mentioned in the episode for which Shri Nagarwala has been convicted.

My second point is that Mr. Malhotra acted on the basis of a telephone call. Has he at any time received such telephone calls earlier? It seems as though, unless he had done like that earlier, he could not have done this time. This point has to be cleared. Otherwise Mr. Malhotra has to be put under trial and has to be asked whether he had at any time acted like this. It is a matter of sixty lakhs of rupees. Also, the manner in which the accused has been convicted within 48 hours seems to be a story. I want all these things to be cleared, I feel that a probe is needed to be made at least by a Supreme Court judge to clear these things....

(*Interruption*)

SHRI K. R. GANESH : Sir, I have already repudiated the insinuation ...

(*Interruptions*)

MR. DEPUTY CHAIRMAN : Order, order.

SHRI LOKANATH MISRA : Let us call him the Minister in charge of repudiation....

(*Interruptions*)

SHRI K. R. GANESH : I have already repudiated..

(*Interruptions*)

MR. DEPUTY CHAIRMAN : Order, order, please....

(*Interruptions*)

SHRI K. R. GANESH : I have already stated, Sir, that the Police are investigating the whole thing. The State Bank of India is also investigating and after these investigations the Government will take its own decision.

SHRI A. D. MANI (Madhya Pradesh) : May I ask the hon. Minister the following points ? My first point is : Doesn't Mr. Nagarwala seem to have an intimate knowledge about the way the nationalised banks are functioning ? He does not go to any other Bank.... (*Interruptions*).... He contacted the Chief Cashier on the phone for the withdrawal of money, Mr. Nagarwala seems to have an intimate knowledge about how Government withdraws money and how the nationalized banks function....

SEVERAL OPPOSITION MEMBERS : Yes, yes.

SHRI A. D. MANI : Has the Government tried to find out how he acquired this valuable knowhow about drawing money from banks ? It is a very important point.

My second point is : Under which Fund Mr. Malhotra made this withdrawal ? This is a very important point. Was it under the Ministry of Labour and Rehabilitation ? Or was it under some secret service fund ? If it was connected with some secret service fund, we do not want to go into that. But we have got a right to know how these funds are drawn. Are they drawn merely on the basis of a message on the telephone, or a formal authorisation is given in writing ? Mr. Malhotra also stated in the course of his trial that the receipt was to be sent from the Prime Minister's House. This shows there is considerable laxity in financial procedures in these nationalized banks. We are all depositing our money into these banks and we have a right to know how Government withdraws money ? Is it on a formal authorisation or is it on telephonic calls ?

My third point is that in the course of the trial it has been mentioned that Mr. Malhotra wanted Mr. Nagarwala to wait for two minutes because he

want to consult some one. Whom did he consult ? It is an important matter. Did he consult the Agent or the Manager ? Who was the person whom he consulted ?

My fourth point is—and this is a very important point—that for the point that for the first time in the legal history in India, a trial is over only in 5 minutes' time. It has never happened in the history of India that in a trial the man is produced, his confession is recorded, nobody is examined and a judgment is given....

SHRI S.D.MISRA : Without any corroboration.

SHRI A.D.MANI : Without any corroboration. Why wasn't Mr. Malhotra examined ? He was a very important witness. The public has got a right to know how it all happened. It is like a trial in the Soviet Union under Stalin. And here also the trial has been over in a few minutes. I want the hon. Finance Minister not to evade any one of these issues. I want him to answer because he has knowledge about how the secret service funds are also drawn—he has been our Home Minister for many years.

THE MINISTER OF FINANCE
वित्त मंत्री (SHRI Y. B. CHAVAN) : May I say, Sir, that unnecessarily some confusion has been created and so we have to be very clear as to the issues that are involved. Firstly, Sir these are two operations, what Mr. Malhotra did, how he acted under what circumstances he acted and whether his actions were right or wrong according to the rules, and what Mr. Nagarkar did. One piece of information I can give the hon. Member is that Government does not have any secret accounts; Government functions very openly according to the rules governing the accounts and the accounting procedures. So there are no secret accounts of the Government or the

Prime Minister with the State Bank. Secret services function secretly but the accounts are never secret. They are always operated according to the general Rules and Procedures in this matter. So, this sort of confusion and suspicion should not be there in the minds of people, and I would like the hon. Member to take it out of his mind and unless the hon. Members get completely rid of this prejudice, they won't be able to judge the issue involved in this question objectively. Now, Sir, he is necessarily involved the nationalised banks in it. I do not know where the functioning of the nationalised banks comes in here. He, really speaking, took advantage of a certain psychological situation. Now, Sir, I have tried to go into the procedures for the withdrawal of money from the bank. According to the procedure two persons are supposed to be responsible for this.

SHRI M.S. GURUPADASWAMY
You said "psychological situation."
What is the psychology about it ?

SHRI Y. B. CHAVAN : Now he certainly functioned in a strange manner, and that comes under psychology. (Interruptions) First of all please listen to me further, and then you can ask your questions and I shall try to answer them if I can answer them. Now, Sir, the question is Shri Malhotra is the Chief Cashier. The Chief Cashier and the Officer in charge of the cash vault are supposed to be the two persons who are responsible for any withdrawal from the cash chest or the cash vault. That operation continues daily. Both of them make entries in the documents there, sign and withdraw the amounts from the cash chest. And when the amount comes out of the cash vault, then it is distributed according to the requirements of the branches by the cashiers in the bank, and vouchers are supposed to be given by those who receive the amounts withdrawn from the cash vault. Then, at the end of the day, whatever the debits raised and whatever the amounts that remain at the end of

[Shri Y. B. Chavan]

the day undisbursed, they are all entered in the registers. This is the general procedure. Now, Sir, in this case, on this occasion, Rs. 60 lakhs were drawn from the cash vault.

SHIR A. D. MANI : Under what head ?

SHIR Y.B. CHAVAN : When it is drawn from there, the Chief Cashier and the officer in-charge of the vault are the persons responsible. There the cheque does not come into consideration. This is exactly what I am telling you. The cash vault is a separate institution by itself and when money is taken out it is taken out for the operations of the bank. I hope I am clear. It is taken out for the operations of the bank. When the money is given to the different cashiers in the branch, then it is to be disbursed on cheques, etc.

SHRI A. D. MANI: Under what head?

SHRI Y. B. CHAVAN: Where is the question of head here? Suppose money is given to a certain cashier working in the bank for his operation, he gives his voucher that he is taking out the money to a particular window or a particular branch. I do not know the details of it. Now, here Shri Malhotra put his signature and withdrew Rs. 60 lakhs. From this moment onwards the entire behaviour of Mr. Malhotra is a very strange behaviour. This is where the psychology comes in. From here onwards—according to my information he has broken every rule that is possible. Now, that is exactly the matter which is under examination. *Prima facie* it appears that he has committed an offence under section 409 of the I.P.C.—breach of trust—which is under investigation. Unless that investigation is completed one can not say any thing. But I can assure the House that there is no question of hiding any facts or protecting anybody.

श्री निरंजन वर्मा (मध्य प्रदेश) : इवेस्टिगेशन के दौरान उसे गिरफ्तार कर के क्यों नहीं रखा गया . .

श्री य० ब० चव्हाण : यह तो पुलिस वालों से पूछना होगा मैं कैसे बताऊँ ।

श्री एस० डी० मिश्र : हम लोग कैसे पूछें । यह तो आप ही पूछेंगे और पूछ कर के बतायेंगे ।

श्री य० ब० चव्हाण : आप भी लौ जानते हैं मिश्रा जी । 409 के इवेस्टिगेशन में जब प्राइमा फेसी केस बन जायगा तभी कुछ कह सकते हैं ।

श्री एस० डी० मिश्र : मिनिस्टर साहब यह बतायें कि कैसे इसको उससे अलग किया जा रहा है ।

SHRI Y. B. CHAVAN: This honourable House is entitled to know how a responsible officer could get such a big amount out of the bank and unauthorisedly give it somebody and get himself duped and ultimately create a situation which, really speaking, is something very shocking to all of us.

SHRI SASANKASEKHAR SAN-YAL (West Bengal): Please explain one thing.

MR. DEPUTY CHAIRMAN: Please sit down, please sit down.

SHRI SASANKASEKHAR SAN-YAL: Why did you go in for a hasty trial of one person without having a complete investigation and putting all suspects and delinquents in the same trial for conspiracy?

SHRI Y. B. CHAVAN: The only suspects here are Mr. Malhotra on the one side and the other is Mr. Nagarwala.

SHRI S.D. MISRA: How do you know? ..(Interruptions).. It is not for you and me to say who is guilty and who is not.

MR. DEPUTY CHAIRMAN: No interruptions please.

SHRI Y.B. CHAVAN: You should know that these are the two persons involved.

SHRI GODEY MURAHARI: Sir, there are several issues involved in this whole affair and most of the issues, I would say, relate to the Home Ministry and although the Finance Ministry probably will not be able to answer most of these queries I would like to put them because that would give an opportunity to the Home Ministry to come out with a statement later if they wish to.

In the first place, when Nagarwala was being tried on the first day, the Magistrate seems to have told him "If you want to make a statement, take another day". He was given 24 hours' time to re-think whether he should make a confession.

SHRI ARJUN ARORA (Uttar Pradesh) : That is usually done.

SHRI GODEY MURAHARI: And with in these 24 hours Mr. Nagarwala wants to make the confession *in camera*. So, I would like to know what was behind all this, why this *in camera* evidence was allowed to Nagarwala. Another point I would like to be cleared is, why this whole process of imitation of certain voices which was supposed to have been done by Nagarwala and which seems to have formed the main evidence....

SHRI ARJUN ARORA: Only evidence.

SHRI GODEY MURAHARI :
..rather the only evidence, was not

corroborated both by the Prime Minister and Mr. Haksar whose voices were supposed to have been imitated by Nagarwala? Before taking for granted that all that Nagarwala said was correct, the police should have gone into the whole matter, taken evidence from all these concerned—whether it was Malhotra, whether it was the taxi driver, whether it was the Prime Minister, whether it was Mr. Haksar or whether it was X, Y or Z, whoever was involved in the statement of confession—called all of them, corroborated these facts and verified these facts before taking his word for granted.

The court seems to have taken whatever Mr. Nagarwala said to be granted and on the basis of that awarded punishment to him and in such a short time, which is unparalleled in legal history. It is strange that it should have been done within 24 hours. Therefore, I would request the Government to have a thorough enquiry into this. Another thing is the promotion of the police officer who was supposed to have unearthed this person was immediately promoted from DSP to SP. Within 24 hours he becomes a big officer. I do not understand this. When a man himself makes a statement—Mr. Nagarwala gave a statement, that the whole thing was a hoax, that he has himself connived at this and he has left a trail behind him that the taxi-wala was made to see where the box was put and the police was being given a trail—there is nothing extraordinary in the Police Officer catching him. Yet he has been promoted. So we would like to know what is behind this. These are matters which only the Home Ministry can clear but if Mr. Chavan can clear, well and good. I would like to know from the Finance Ministry the way these funds are administered. Mr. Chavan just now said that there is no secret fund but we know for a fact that before nationalisation of the banks, the banks did have secret funds

[Shri Godey Murahari]

operated by the directors for various purposes. May I know if that practice is continuing?

SHRI Y.B. CHAVAN: I was talking about the Government.

SHRI GODEY MURAHARI: They had these funds operated. Whether the same practice is followed after nationalisation I would like to have information from the Finance Minister. If there are secret funds, how are they administered? That is a question which arises because if there are certain secret funds which are administered, then it is quite possible that some of the funds are administered in the way Mr. Malhotra has administered. A sum of Rs.60 lakhs were just withdrawn from the box. Usually as the Finance Minister says, the money is withdrawn for the working of the bank itself. When there are a number of counters and if the counter clerks and accountants ask for certain amounts, for the day's working, the Cashier brings out the money and gives it to them but without such a request from any of the employees of the bank how was such a big amount withdrawn from the safe and that too without the knowledge of the agent? The normal course one would have expected is, even if the amount was to be paid, if he thought that the PM was wanting money from the bank for urgent operations, the man would naturally consult at least the agent. First of all he must have doubted how he was being telephoned that he PM was wanting funds. The first persons he would have telephoned to would have been the agent or the Secretary if he is the senior-most person. Therefore all these questions have to be answered by the Finance Ministry as to how the whole thing is allowed to operate in this fashion.

SHRI Y.B. CHAVAN: These are very legitimate questions but how do I answer them because he has not

taken any of the precautions. He ought to have done each one of the things mentioned by the hon. Member.

SHRI ARJUN ARORA: The impression is that the police is protecting Mr. Malhotra. Being a Minister he does not have as many opportunities to meet the common man as an humble MP has. The impression has gone round Delhi and Kanpur and the country that the police or somebody higher-up is doing everything possible to protect Mr. Malhotra. Why, for example, Mr. Malhotra has not been taken into custody, though a serious charge of misappropriation of Rs. 60 lakhs is being investigated against him? The Finance Minister is not responsible but this is the impression.

I P. M.

SHRI Y. B. CHAVAN: I can only assure the hon. Member that there is no intention of giving protection to Mr. Malhotra. That is why we wanted to know exactly what action has been taken against him also. On that very day he was suspended and the other persons who are concerned have also been taken off from the cash. Proceedings under section 409 have also been undertaken by the police.

SHRI GODEY MURAHARI: Has he been arrested?

SHRI Y. B. CHAVAN: I do not know.

SHRI GODEY MURAHARI: The very first duty of the police, when defalcation of Rs. 60 lakhs is involved, should have been to take him into custody.

SHRI Y. B. CHAVAN: I do not know. How can I say a fact which I do not know?

SHRI GODEY MURAHARI : When the bank's money has been defalcated, the bank should have handed over the man to the police.

SHRI Y.B. CHAVAN: The bank gives information to the police; the bank cannot hand over the man. How can the bank hand over a person?

MR. DEPUTY CHAIRMAN: The bank can only report to the police and it is for the police to act on it.

SHRI GODEY MURAHARI : Which means the police is refusing to take action.

SHRI Y.B. CHAVAN: No; they are investigating. I am telling you.

SHRI LOKANATH MISRA: If the investigations are continuing how was the main culprit convicted before the investigations are complete?

MR. DEPUTY CHAIRMAN: As pointed out by the hon. Minister these are two different offences, one committed by Mr. Nagarwala and another committed by the Cashier.

SHRI GODEY MURAHARI : But they are part of the same offence. There are two guilty persons; both may be accomplices. Therefore, before convicting one person, the accomplice should also have been convicted.

MR. DEPUTY CHAIRMAN: You cannot say they are accomplices.

SHRI GODEY MURAHARI : You establish whether he is an or not you cannot take against the other person.

SHRI LOKANATH MISRA : It appears from the papers that a conspiracy was there.

MR. DEPUTY CHAIRMAN: Now Mr. Bhupesh Gupta.

SHRI BHUPESH GUPTA: Everything seems to be shrouded in great mystery. First of all I should like to know from the hon. Minister as to why Mr. Malhotra has not been taken care of more than what has been done. We understand there is also some Preventive Detention Act and Rs. 60 lakhs is an essential commodity. Therefore, this has to be explained.

Secondly, I would like to know whether this is not a case *prima facie* of criminal conspiracy. At least two persons are clearly involved by name; one is Mr. Nagarwala and the other is Mr. Malhotra. Of course the taxi man is another. In the course of normal investigation why should there not be a presumption of criminal conspiracy and if that is so, I want to know why Mr. Malhotra has been left free. Is it not to be assumed that a person when he is left free in such a situation would like to tamper with the evidence and remove the evidence? You know very well in a court of law when a bail application is made sometimes the Prosecution gets up and says that they would not like him at this stage to be released on bail on the ground that he may tamper with the evidence and so on. But it seems Mr. Malhotra is quite free; may be he is under surveillance. I do not know where he is. Anyhow the whole thing raises a doubt. If I say in a court of law that I am guilty it is open to the court to convict me on that statement of mine or confession but that does not mean that the statement that I may make or the confession that I make should be taken as true. The two things are quite separate. It is quite possible for a murderer to commit a murder, go to the court of law and say, I am

[Shri Bhupesh Gupta]

guilty; you give me whatever punishment you like. In Bengal we had known during the old terrorist movement as it used to be called people committed murder and said: Yes; we have shot him; do whatever you like. But conviction was not awarded immediately. Investigations took place to find out the veracity or otherwise of the statement or the confession. The confession is subject to corroboration and examination in order to find out whether the confession is correct or not in its details and not generally alone. Nothing of the kind has been done. Therefore, the expedition in which the case has been conducted is unprecedented in Indian history. I cannot recall any incident in India where an offence of this kind has been disposed of from the detection of the crime to conviction in a matter of seventy-six hours.

SHRI S. D. MISRA: Efficient Government.

SHRI BHUPESH GUPTA : You may introduce your politics. I do not introduce it. After all you are joining the Congress that side. Why are you spoiling your case? I am not interested in the politics. Therefore, that point has also to be explained. Was it not possible for the prosecution to delay the case a little, to hold an investigation to ask more questions of this man? Simply because he had given a confession it does not mean that he cannot be subjected to questioning. Now he is outside their jurisdiction, no man can ask him any question. He is now a convicted prisoner, he can refuse to meet anybody. In fact meeting anybody also would be illegal in some respects. This needs to be explained.

Then comes the voice. He imitates the voice that counts. He would not imitate my voice much less Mr. Patel voice or some other friend's voice. Obviously the voice that matters in this country will be imitated, Mr.

Chavan's voice, Mrs. Indira Gandhi's voice or somebody else's voice. A cheat or a man who wants to do such things obviously will imitated the voice that matters, not my voice or your voice. Therefore, we should not read too much into it, but it is necessary to find out how it is that Mr. Malhotra believed it. How is it that Mr. Malhotra was so familiar with the voice? At least the pretension is immediately on the telephone he got it like that. Are we so easily to believe this thing? As far as the voice is concerned he seems to be a great, what shall I say, mimic or ventriloquist. He should be brought in Parliament. He can put supplementaries in the voice of Shri Patel and answer questions in the voice of Shri Chavan. Such men would be interesting.

About Mr. Malhotra, Mr. Chavan has said that it is an internal operation of the bank; how the box is opened, how the box is shifted from one counter to another is certainly an internal operation. But there was an external operation also and there he said he violated all the rules. All the rules he violated. It is a strange thing. Violation of the rules was taking place perhaps in the full view of some others. A big box was being removed from the vault somewhere, then the man disappears in a taxi somewhere. Why was this not noticed or taken due notice of by other important people in the bank? Are we to suppose that they were under the influence of charas or something or some drug, or were they not in their senses? If they were in their senses, it should have struck them that some operation was taking place which was unusual unless of course such operation has been usual in the past. That point has to be borne in mind. Mr. Malhotra was not acting in the course of his normal duty and accordingly in violation of the rule which itself should attract the attention of other officials.

Then this Nagarwala business. Suddenly he appears on the horizon of Delhi. I do not know, he looks a handsome man from the photograph, a very handsome man. Dirty people I know otherwise. What are his antecedents? Apart from being an ex-military man what are his antecedents? These also should be found out. Nothing is known about that. The whole thing is mysterious. Conviction: two years, two years; six months, six months. What is all this? Everything is done so well. What a magistrate. We have heard a lot about justice delayed being justice denied. But there it is done with vengeance, justice with a supersonic speed. We are living in a strange world, as if we are sitting on a magic carpet. Everything is supersonic. Robbery is supersonic, voice is supersonic, stealing supersonic, taxi disappearance supersonic, conviction supersonic, confession supersonic. We have passed the jet stage. This aspect itself should be found out properly.

I would ask my friends here on both sides and this side in particular naturally being in the opposition they would like to have a political axe to grind.....

SHRI S. D. MISRA: This is not politics.

SHRI BHUPESH GUPTA: Then what sort of opposition is it? (*Interruption*) Only in the present case the paramount national interest must be the main consideration; specially in the present situation let us not import politics into it when there is no warrant for it. If there is warrant for it, by all means import it. I do not mind Mr. Chavan may be apologetic. Suppose some funds are used by the Government in a particular manner for a good cause if they are used for persecuting the Communists, certainly I will expose the Government-suppose if it is done for a good cause, I will not quarrel with the Government. I

will keep quiet. What is wrong there? After all, we are not children, you know very well. Yet, administration cannot run with the secret funds being operated in the Connaught Circus. Obviously not. Subzi Mandi is not the place where secret funds are to be administered. It is done in its own way. Let us not go into these things. Political aspect, if at all involved in it, would come to light. And even later on if you think that it is good or bad, if it is political persecution, we may come into it. Now we are concerned with objective facts and nothing but objective facts as far as this matter is concerned.

Sir, the story cannot be believed. The story which has appeared so far in the newspaper or in the statement, whatever has come to us, we cannot simply believe. And I think I am sharing the opinion of many Members in Parliament.....

SOME HON. MEMBERS : Yes, yes.

SHRI BHUPESH GUPTA:.....without any prejudice; these stories cannot simply be believed. Therefore, unearthing of the story, unveiling of the story, unveiling of the entire mystery is essential. After all, we must know whether similar rackets and gangs are operating. It is not a psychological case.

SHRI Y. B. CHAVAN: I did not say that.

SHRI BHUPESH GUPTA: You did not say.

It is a mysterious case. Psychology may or may not be involved. But we do not go into it. But we should be very careful that such things may not happen. Many other things are involved. I am not going into them at this stage.

[Shri Bhupesh Gupta]

Therefore, I express total dissatisfaction at the manner in which the whole thing is being handled by the authorities. As far as promotions are concerned, let them be quick. When you beat up the opposition, demotion never takes place. And a commission is appointed to consider demotion. And here when it comes to promotion, there is supersonic speed. So, Sir, all these things should be clearly gone into. Mr. Chavan is not so ignorant as you think. He has become Finance Minister after having served his term in the Home Ministry. Do you think he is ignorant about all that has happened? Surely he is not. So, between Nagarwalla and Bombaywallah, we should not be left high and dry in this matter. That is my request. My request is: help us out of the trouble; give us facts. Parliament should know. If it is in the national interest, we shall not utter a word about it. We shall see that things are properly done. But if it is swindle, if it is a reaker if it is not an irregularity only but something worse, then it is the duty of Parliament to set matters right, and naturally in this matter we have to set right the Government also. This is my submission. We are not at all impressed by all that has been said by the Government.

SHRI Y. B. CHAVAN: Sir, what has happened in the bank is something unprecedented and it has come as a shock to us. So, as far as the point that whether there was anything procedurally wrong is concerned or what were the other people doing or why they did not take notice of it, and so on, the whole matter has to be gone into, and we will go into these matters. I know the country is interested. I can only assure you that we will not hide anything and we will not protect anybody. This is all I can say as far as this matter is concerned. And there is no question of different treatment to anybody whether he is a Nagarwalla or a Bombaywallah or a Calcuttawallah or a Banaraswallah. Any "wallah", if he is concerned, will certainly be taken note of.

SHRI M.S. GURUPADASWAMY: Sir, let us not impute any political motive to this matter. We are not here to exploit for a political purpose this affair. My concern is that anybody in high office should be free from any doubt or suspicion. From that point of view, I shall put a few questions. Sir, I have heard many points made by hon. Members. I have also heard Mr. Chavan carefully. He said one thing that upset me. He said that this case has got to be looked at in two compartments, has to be dealt with in two compartments.

SHRI Y. B. CHAVAN: I gave you the facts. I did not want to upset you.

SHRI M. S. GURUPADASWAMY: You have separated the issues. You said there are two issues involved. Am I right?

SHRI Y. B. CHAVAN: I said, as far as the incident is concerned, there were two sets of facts. This is what I said.

SHRI M. S. GURUPADASWAMY: All right, Sir, I will go by the latter statement. I do not want to dispute him. He says that there are two sets of facts. I want the hon. House to ponder over this opinion of the Finance Minister. Are there two sets of facts really, separate, nothing to do with each other, not related to each other?

SHRI Y. B. CHAVAN: I have not said that. Why are you attributing things to me? Please try to understand what I said, because ultimately these two sets of facts acted and reacted and mingled and, therefore, we have got this incident. How can I say that they were unrelated?

SHRI M.S. GURUPADASWAMY: You are now going back. I do not want to score a point over you; that is not my interest at all; let me make

that clear. But what I want to know is has there been any instance in the past in cases like this, where there have been two parallel approaches, one approach to deal with one set of facts and another approach to deal with another set of facts, though they were inter-related? That is number one.

To my mind all facts have got to be taken together because this forms a single case. The case of Mr. Nagarwala and the case of Mr. Malhotra are one and the same. They cannot be separated at all. The Criminal Procedure Code—239—also deals with the same question. All the facts pertaining to a particular Criminal offence have got to be dealt with and there cannot be a separation of things for our convenience however much we wish they should be done so. Then when the case is such, when all the facts refer to one single case, why an attempt is being made to separate the facts is my very question. The implication is the case of Mr. Nagarwala has been dealt with very expeditiously and that of the other person, Mr. Malhotra has not been dealt with. Friends have said that Mr. Malhotra, has not been arrested, he has not been taken into custody. And they have said that the evidence also has not been taken in the court. There is no corroboration, it is an elementary principle of criminal justice that when a person makes a confession the court will not take that confession as conclusive. Courts do not take a confession as conclusive proof for conviction. Everyone of us knows that it is not taken as conclusive proof because it might have been extracted from the person forcibly. Therefore, an opportunity is always given to him to have a counsel. He must have a counsel even though he confesses. Suppose a person wants to commit suicide and that person confesses that he or she wanted to commit suicide. But a counsel will be appointed by the court itself to try the case in such offences. So here no such thing has been followed. There was no advocate at all and the confession is

recorded in camera and immediately the judgment is passed. This is one thing that leads to suspicion. Then the evidence of Mr. Malhotra is very material for this because it is Mr. Malhotra who took the money and Mr. Nagarwala was only a receiver. The person who took the money from the vault of the bank and delivered that money to this man is, I think, more guilty than the receiver. The receiver may be equally guilty. Mr. Nagarwala is in the position of receiving the money, but the first act of guilt, the first criminal act, was committed by Mr. Malhotra. If he was not there in that case, this thing would not have occurred. So the natural course for the police was to arrest him and an investigation should have started about the whole thing. Members have quoted about the drivers and the taxis, about the person with whom the money was deposited. What has happened to the person with whom the money was deposited? He is also guilty. A person who keeps the money illegally is also guilty. This is one part.

The second part I want to raise is unfortunately the names of the Prime Minister and Mr. Haksar have been drawn into this. It is very unfortunate. They should be free from this kind of a doubt. That is my wish. But I want to raise one issue, whether Mr. Malhotra was in the habit of drawing money in the past like this in the name of the Prime Minister and, secondly, whether the Prime Minister had an account there or deposited money even in the safe vault; otherwise, how could Mr. Malhotra offhand take away the money after receiving the phone call from the Prime Minister or from Mr. Haksar that impersonated here unless there is some fund there in the bank on behalf of the Home Ministry or on behalf of the Prime Minister or something like that? Unless there is some fund in the bank on behalf of the Home Minister or the Prime Minister, this cannot be done. Sixty lakhs must not be private

[Shri M. S. Gurupadaswamy]
money. It must be official money.
This also has got to be cleared.

Secondly, was Shri Malhotra in the habits of paying money to the Prime Minister, or to the P. A. or to the Home Minister? Was it done in the past at any time? This has also got to be answered.

The third point is, there seems to be some doubt about the investigations. Shri Bhupesh Gupta and other friends raised very correctly the issue that this matter was being disposed of at supersonic speed. Therefore, it gives room for suspicion. Perhaps it speaks of their extraordinary efficiency for which the police officer got promotion immediately. It may be there. I do not suspect. But the whole procedure followed for investigations and the whole approach followed in the court have deepened our suspicion. Whatever may be the efforts of the Finance Minister and his colleagues, it is not clear and the fog of suspicion is still there. It is necessary to clear that fog. Some names of some higher-ups are also involved. I do not want this to happen. In the interests of the country, in the interests of democracy and in the interests of the government itself, I think they should be free from this kind of suspicion and doubt. Therefore, may I suggest whether the Finance Minister will agree to set up a high-powered judicial committee to look into the matter? Let there be a judicial inquiry into the whole thing. Some are innocently involved. I know the Prime Minister has been a victim to this kind of thing and let all these innocent victims be freed from any suspicion and for that purpose will the government be prepared to appoint a high-powered judicial committee to look into the whole matter? These are the three questions.

SHRI Y. B. CHAVAN : There is only one question. The rest are his comments and I cannot answer them. It is not for me to comment here as to

how the Judicial Magistrate acted. The only question is whether there are any accounts of the Prime Minister in the bank or whether there were any dealings with Shri Malhotra before. I can tell him that there are only two public accounts the Prime Minister had to deal with and which she had to operate with the State Bank, not with Malhotra. One is as holding trustee of the Jawaharlal Nehru Fund which also she operates with Shri Karan Singh. The other is Vallabhai Patel National Memorial Fund which she operates along with Shri Atulya Ghosh. These are the only two accounts with the State Bank of India. As the Prime Minister she does not deal with government accounts. There are no secret accounts and there is no question of any dealings between the Prime Minister and Malhotra. As far as this is concerned, I have mentioned the facts that are at my disposal. There is no reason for having any judicial inquiry because it does not require any.

SHRI BHUPESH GUPTA : Shri Malhotra and Shri Nagarwala have been used by some people to create a scandal around the Prime Minister. It may well be. For that, an inquiry can be there.

SHRI Y. B. CHAVAN : As far as Malhotra's behaviour as a responsible officer is concerned, there are two aspects. One is about the bank management. That is one point. Another aspect is the criminal offence involved in it. These are the two aspects. The criminal offence aspect is being investigated by the Police. As far as the Bank management is concerned, certainly it requires to be looked into when such a thing happens and it seems that there is some lacuna somewhere and we will have to go into it.

SHRI MAHAVIR TYAGI : Sir, the confession made by Nagarwala, why was it done in camera?

SHRI Y. B. CHAVAN : Sir, I do not know all the facts about that matter.

SHRI ARJUN ARORA : Mr. Tyagi, confessions are always made in camera.

SHRI N. G. GORAY (Maharashtra) : Sir, I do not want to cover the ground which has already been covered by my friends here. But I do want to convey to the Treasury Benches that all of us have felt very much agitated not only because of what happened on that particular day when Rs. 60 lakhs was withdrawn, but also because of what happened afterwards.

Sir, the whole story is a cock-and-bull story and I am really surprised that the District Magistrate was inclined to believe the story which seems to me to be full of contraeictions. Sir if you go through the confession you will find that Nagarwala has said that nothing was pre considered, nothing was pre-conceived, nothing was pre-planned. He was just sitting there in the Bank and when he looked at the two telephone booths he had a brain-wave. Sir I know some poets get brain-waves when they look at beautiful ladies. But this is the first time that I hear of any body getting a brain-wave by looking at telephone booths. This is how it starts. Therefore, it was on the spur of the moment. The whole thing of, the whole conspiracy, has been hatched at that particular moment. Then he says that he watched how the Bank was functioning and that he went to the room where Shri Malhotra was having talks with his friends and then he came back and immediately started impersonating, first, Shri Haksar. It seems to me, Sir, that he is not only familiar with Haksar but familiar with his voice also. We have been hearing about Haksar, but we have never had a chance of meeting him. But he seems to be very familiar and it seems to

me that Malhotra was also familiar with his voice. He speaks in the voice of Haksar and Haksar says, "Within a munite the Prime Minister will herself talk to you". Then the whole behaviour of Malhotra gives the impression that this was a sort of normal transaction, because he say, "You just wait a minute and I will let you know whether Rs. 60 lakhs could be withdrawn" and after waiting, he hears the voice of the Prime Minister. He says then, "Namaste Mataji" and then says, "I am an old soldier" I do not know whether he is an old soldier or an old crook, and then he says, "Namaste Mataji, everything will be done". Do you believe it all? If somebody says, 'Yesterday I went to Connaught Place, I met Yahya Khan and Mujibur Rehman', would you believe this sort of thing? So this self-confession is, on the very face of it, ridiculous and I am really surprised that the Magistrate was ready to accept this as a fact. Then Nagarwala goes on saying that he did such a thing in such a way that he wanted the taxi driver to note all those things.

Sir, I want to convey through the Minister of Finance that not only the Members sitting in the Opposition but the entire House, the entire country ought to be convinced that these are the real facts, because the whole thing has been done in such a manner that this is obviously a case of conspiracy and I am very sorry to say that now I feel inclined to include the hon. Magistrate also in that.

SOME HON. MEMBERS : That is correct.

SHRI N. G. GORAY : How can the Magistrate believe it? Nobody would believe it. I would like to ask whether, as soon as the confession was there, the police case also was ready. Immediately afterwards there is conviction.

MR. DEPUTY CHAIRMAN : It is not confession, it should be 'admission in the court'. These two are different.

SHRI N. G. GORAY : Did the police have the time to prepare the case?

SHRI BHUPESH GUPTA : What was the challan? Who were the witnesses? What are the charges? I would like to know all these things.

SHRI N. G. GORAY : Sir, I am not a practising lawyer. But I have enough commonsense to know that it takes time. Here you find all things are succeeding in such a rapid manner that it is really very difficult to believe that all these things could have been done in a fair way. Therefore, Sir, I would like to convey to the Government that they should not stand on prestige and they should not think that just because the trial has ended everything is all right and everybody is convinced about the fairness of it. Sir, there are lurking suspicions and the suspicions have been there from the very first day when the money was withdrawn and the people believe that there is some nefarious game in this. I will be very glad to know that neither Mr. Haksar nor the Prime Minister had anything to do with it. But because Mr. Nagarwala has stated all these things and Mr. Malhotra has accepted this as coming from the Prime Minister and Mr. Haksar, it is all the more necessary that this is cleared. And, therefore, I join in demanding a judicial probe into this matter.

MR. DEPUTY CHAIRMAN : The Minister has stated that there is no need to have any judicial probe at this juncture.

SHRI N. G. GORAY : But we are not convinced.

MR. DEPUTY CHAIRMAN : He has replied to your questions; that is what I told you.

SHRI SUNDER SINGH BHANDARI : I fail to understand why the Government is not accepting this demand because their replies are not at all convincing..

(Interruptions.)

SHRI SASANKASEKHAR SAN-YAL : I also want to ask two questions.

(Interruption.)

MR. DEPUTY CHAIRMAN : Ask one question.

SHRI SASANKASEKHAR SAN-YAL : I have only two questions.

We know that there is something like black money and black deposit, and we know, Sir, that this money was drawn in the name of the Prime Minister. So, the first obvious duty on the part of the police was to have contacted the Prime Minister as to what she has to say in this matter. Secondly, before there was a conviction on the confessional statement, there ought to have been a statement by the Prime Minister under Section 64 repudiating every thing in connection with this matter. Otherwise, the impression will be deepened....

MR. DEPUTY CHAIRMAN : All these things have been said.

SHRI SASANKASEKHAR SAN-YAL : The Prime Minister had some hidden money in some way and in order to put an iron curtain on that..

MR. DEPUTY CHAIRMAN : Please put your question.

SHRI K.R. GANESH : I have only to say that this is not a fact that the money was drawn in the name of the Prime Minister. It is not a fact that

there has been any hidden money of the Prime Minister..

(Interruptions)

MR. DEPUTY CHAIRMAN : Should we finish it now?

THE MINISTER OF IRRIGATION AND POWER/सिंचाई और विद्युत-मंत्री (DR. K.L. RAO): Yes. We have been waiting all the time.

MR. DEPUTY CHAIRMAN : All right Mr. Bhandari.

CLARIFICATIONS IN RELATION TO STATEMENT LAID ON THE TABLE OF THE RAJYA SABHA ON MAY 25, 1971 REGARDING THE POWER SUPPLY POSITION IN THE BHAKRA SYSTEM

श्री सुन्दर सिंह भंडारी (राजस्थान) श्रीमान्, मंत्री जी ने 25 तारीख को एक स्टेटमेंट यहां पर रखा था, और आज 28 तारीख है। मैं जानना चाहता हूं कि आज के दिन भाखड़ा का पावर प्रोडक्शन क्या है— 13 मिलियन यूनिट्स है या वह घट कर 7 मिलियन यूनिट्स पर आ गया है, क्योंकि आपने उस स्टेटमेंट में यह आशंका प्रकट की थी कि बहुत सम्भव है कि 2 मिलियन यूनिट और कम हो जाएं, पानी को सप्लाई कम होने की वजह से। तो आज की वस्तुस्थिति इस संबंध में क्या है, इसके सम्बंध में एक स्पष्ट स्टेटमेंट आना चाहिए। उस हिसाब से 3.3 मिलियन यूनिट का शार्टेज आज के दिन होनी चाहिए, प्रोडक्शन के हिसाब से और उससे युटीलाइजेशन के हिसाब से। अब यह 3.3 मिलियन यूनिट्स की जो कमी पड़ रही है, इसको आपने किस प्रकार से अक्राउंट फार किया है। उस दिन भी 1.3 मिलियन यूनिट पर डे की कमी थी। आपने उसके लिए एक्सप्लेनेशन किया है— इन्टर्नल रिसोर्सेज एन्ड एडजस्टमेंट आफ

द रेस्पेक्टिव स्टेट्स। अब यह बाकी समझ में नहीं आया। इसका मतलब यह है कि क्या सनएनाउन्सड बिजली 6 घंटे तक और 12 घंटे तक बंद कर दी जाया करे, अगर एडजस्टमेंट का मतलब यह हुआ तो मैं फिर सरकार से प्रार्थना करूंगा कि इस बात की ईमानदारी से घोषणा कर दी जाय कि इतनी शार्टेज है और इतने दिनों तक हम तुम्हें इतने घंटों तक बिजली नहीं दे सकेंगे। लोग चौबीस घंटे स्विच आन रखते हैं और मुश्किल से आध घंटे और एक घंटे बिजली चलता है। इस बात का कोई एनाउन्समेंट नहीं हुआ कि कोई कदम किया जायेगा। यह जो इन्टर्नल रिसोर्सेज एन्ड एडजस्टमेंट आफ दी रेस्पेक्टिव स्टेट्स की बात थी, इसका मिस-चिविथस इम्प्लीमेंटेशन हुआ है पब्लिक इन्टरस्ट में।

मैं सरकार से यह प्रार्थना करना चाहता हूं कि अगर वास्तव में भाखड़ा में बिजली कम पैदा हुई है, 3.3 मिलियन यूनिट्स की कमी हुई है, तो इसके बारे में क्लियर स्टेटमेंट होना चाहिये। इस समय 1.3 मिलियन यूनिट्स की कमी थी और अब 2 मिलियन यूनिट्स की कमी हो गई है और इस तरहसे 3.3 मिलियन यूनिट्स की कमी हो गई है। पंजाब के लोगों ने इस संबंध में एक पोजिटिव सजेशन दिया था, उन्होंने यह मांग की थी कि जब तक बिजली की कमी है तब तक नंगल फर्टीलाइजर फैक्टरी को बंद क्यों नहीं कर दिया जाय। क्योंकि बाकी जिन लोगों को बिजली की जरूरत पड़ती है वे जनरल लोग हैं, छोटे-छोटे प्रोड्यूसर्स हैं और जहां तक छोटे-छोटे कंज्यूमर्स को बिजली देने का सवाल है, अगर नगर के बड़े युनिट को बिजली देना बंद कर दिया जायेगा तो हजारों कंज्यूमर्स को आप बिजली देने की हालत में हो जायेंगे। तो एक पब्लिक बैलफेयर की जिम्मेदारी को ध्यान में रखकर क्या सरकार पंजाब सरकार तथा वहां के लोगों के इस सुझाव पर विचार करेगी और बतलायेगी कि वह आगे इस संबंध में क्या करना चाहती है।