

and operation, which we are now rectifying. It is not because of strikes or "gheraos"; there were initial defects in the planning itself which had to be rectified.

SHRI S. D. MISRA : What percentage of it is being worked now? If the figure for this year is not available, let him give the figure for the last year.

DR. TRIGUNA SEN : I think my colleague has given the figures already. In 1967-68 it was .37 million tonnes; in 1968-69, 1.6 million tonnes; in 1969-70, 2.92 million tonnes; and during this year, up to April, 0.589 million tonnes. So far as the commitment is concerned, it is all right. But we want to improve upon it. As I have mentioned, there was some defect in planning which is being rectified right now.

SHRI M. M. DHARIA : May I know from the Government whether it has assessed the total iron ore deposits in the country to see for how many years to come we shall be in a position to satisfy our own needs? Without assessing the total deposits in the country, will it not be incorrect on the part of the Government to export iron ore from this country? What is the perspective planning, if any, of the Government?

DR. TRIGUNA SEN : This very question which my friend has asked was uppermost in my mind and I asked also the G.S.I. the same question, that before we decide to export our mineral wealth, we must satisfy ourselves that the needs of our country are met not only for the present but for a hundred years to come. There was a seminar on this which I attended and I was given to understand that the deposits that we have will meet our present demand and will also meet the future demands of additional steel mills not only in Orissa but also in Hospet. And it was calculated that it would last for another hundred years. Till then we can export a quantity of iron ore which is being done.

SHRI KRISHAN KANT : What is the quantity that India will require and what is the quantity that is available?

DR. TRIGUNA SEN : I do not remember the exact figure.

SHRI M. V. BHADRAM : Sir, I would like to know the total commitment to Japan now and the total commitment after the construction of the Outer Harbour in Visakhapatnam, and the balance that would be left in the Bailadilla mines.

SHRI NITI RAJ SINGH CHAUDHARY : The total commitment for export to Japan is 61 million tons upto the end of April, 1980

SHRI M. V. BHADRAM : We have committed to Japan to export 12 million tons per year from 1974. Taking that into consideration please tell me the total figure.

SHRI D. R. CHAVAN : You calculate it yourself.

*212. [The questioners (Sarvashri Srikant Mishra, Sunder Singh Bhandari, Man Singh Varma, Prem Manohar, J. P. Yadav and N. K. Shejwalkar) were absent. For answer, vide col. 28 *infra*.]

CENTRAL BANK OF INDIA, LONDON
BRANCH, FRAUD CASE

*213. **SHRI LAL K. ADVANI† :**

SHRI K. CHANDRASEKHARAN :

SHRI S. A. KHAJA MOHI-DEEN :

SARDAR GURCHARAN SINGH TOHRA :

SHRI SWAISINGH SISODIA :

SHRI N. G. GORAY :

Will the Minister of FINANCE be pleased to state :

(a) whether the Central Bank of India, has recently offered a rich reward to any person giving information regarding the whereabouts of Shri Sami Jamshed Patel, former Manager of the London office of the Bank; and

(b) if so, the success achieved to date in tracing him ?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) The Central Bank of India offered a reward to any person giving information regarding the whereabouts of Shri Sami Jamshed Patel, former Manager of the London office of the Bank, but no specific amount was mentioned.

(b) Shri Sami Jamshed Patel was arrested at the London Airport on 23rd July, 1970 and later produced before a magistrate who remanded him to custody in jail upto 31st July, 1970. It is understood that he has been remanded again for a further period of a week.

†The question was actually asked on the floor of the House by Shri Lal K. Advani.

SHRI LAL K. ADVANI : Sir, Mr. Patel has been remanded to jail, as the honourable Minister said. But I understand that this remand is on charges not concerned in any manner with the £ 1.2 million scandal in which he was involved. This remand pertains to some forged cheques worth £ 50,000. I would like to know what steps the Government of India is taking in respect of Mr. Patel's involvement in that scandal. Has the Government proceeded in that regard legally?

SHRI Y. B. CHAVAN : Certainly we have made a complaint about it to the police and the whole matter is under investigation. It is true that actually the grounds on which he was arrested pertain to certain other charges.

SHRI LAL K. ADVANI : Even before this scandal broke out, was the Government aware that Mr. Patel and his Italian wife had acquired properties worth millions in London and that he had a building in his name the rental value of which is about £50,000 per year and that he was living a life far beyond his means. If the Government was aware of it, what action did the Government take at the initial stages to see that Mr. Patel was not able to indulge in any scandal of this kind later on?

SHRI Y. B. CHAVAN : As far as Mr. Patel's personal properties are concerned, we are not aware of them. Certainly some irregularities in the branch there came to the notice of the Central Bank here and they had sent officers to go and inspect and supervise the matters. At one stage one officer was sent and again another officer was sent. And ultimately the Manager was sent. Mr. Patel was ultimately relieved of his job some time in the month of March and information about this particular matter came up some time in the month of April.

SHRI LAL K. ADVANI : I have not asked about the irregularities which he committed. I have asked about his personal property...

SHRI Y. B. CHAVAN : I have no information about it.

SHRI LAL K. ADVANI : Sir, he has no information or the Government has no information.

MR. CHAIRMAN : The Minister represents the Government.

SHRI Y. B. CHAVAN : At the present moment I have no information.

SHRI LAL K. ADVANI : Was the Government aware of it?

SHRI Y. B. CHAVAN : I will enquire into it.

SHRI BANKA BEHARY DAS : May I know from the honourable Minister whether Mr. Sami Patel is involved only in this one case of £1.2 million or whether there are some other cases also against him? We know that there are very many prominent Indians here who have been associated with him in defrauding this bank and the depositors' money. The names of Mr. C. H. Bhabha and Mr. Mundhra were cited in this connection. So may I know whether the Government of India has enquired into this position? I gave this information also when I was putting questions the other day and this is what I am more concerned with now. In order to clear the bankruptcy of Mr. Sukhdev Verma who is an agent in London and is running some show there, Mr. Mundhra paid some money in rupee currency to the Central Bank of India of which Shri C.H. Bhabha was the Director. Shri C.H. Bhabha rang up this Sami Patel in London and the money was paid in foreign currency so that this man was cleared of his bankruptcy. I would like to know whether this fact has come to the notice of the Government of India and whether they have enquired into it. The name of Mr. Cooper is also involved in this. May I also know from the Government of India whether it is a fact that Sami Patel was running some business, super-market and hotels in London and if so, whether those business institutions had been seized by the Government of India or are any steps being taken to seize them?

SHRI Y. B. CHAVAN : At the present moment I have got information about this particular transaction which is being investigated. I have no information about other things.

SHRI BANKA BEHARY DAS : The information has been given on the floor of the House.

SHRI Y. B. CHAVAN : At the present moment, I have no information. If you give me notice or whatever information you have, I will certainly look into it and place any further information that I may have before the House.

SHRI GODEY MURAHARI : I would like to know whether Sami Patel himself had made any statement after his arrest and whether Government have taken any

steps to enquire into the allegations that were made on the floor of the House. These allegations were made during the last session and there was, therefore, enough time for the Government to do that. Did the Government try to find out whether these persons said to have been implicated were really implicated or not because again the same charge is being made by an hon. Member.

SHRI BANKA BEHARY DAS : I made it that day also.

SHRI Y. B. CHAVAN : I quite understand its importance. I do not deny the importance of the question. But I do not know whether this statement was made before the House or not. If the hon. Member can give the information, on the basis of that information, I will certainly find out the facts. My only point is...

SHRI BANKA BEHARY DAS : The proceedings are there before you. One need not write to you again.

SHRI Y. B. CHAVAN : I will go through the proceedings. But I have no idea that such things had appeared before the House. I have no information.

SHRI GODEY MURAHARI : I would like to know whether he had made any statement and whether the Government has asked the CBI to go into the whole matter because it is not enough if the bank officials go and investigate. We know that the bank's directors were involved in this whole deal and therefore an independent agency should inquire into the matter. May I know whether the Ministry itself have taken care of the inquiry or whether it has been left to the bank officials?

SHRI Y. B. CHAVAN : I will have to look into whatever is important.

SHRI GODEY MURAHARI : Did he make any statement ?

SHRI Y. B. CHAVAN : About this particular matter, I have no information.

SHRI BHUPESH GUPTA : Sir, Sami Patel did not fall from the heavens into the lap of the Central Bank. He was there and he must have been appointed by some one. His records must have been gone into before his appointment. I should like to know the antecedents of this gentleman. I would also like to know whether they were taken into account before the appointment was given, especially when he was

placed in a very responsible position. I should also like to know how it is that no one in the bank is coming forward to give information about Sami Patel when it is well known that he has property there and that he was carrying on shady deals and practices for some time? How is it that the whole thing is kept secret? I should also like to know whether Sami Patel's accounts in the foreign banks and inventory of his assets, etc. have been made known to the Government of India. Finally, I should like to know whether the Government made any investigation through its own agency here and elsewhere in the High Commission in London to find out exactly how this fraud could be committed by him and how it was possible for this man to go higher up in the banking industry.

SHRI Y. B. CHAVAN : All the facts relevant to this particular matter and all other information about him are being looked into. I cannot say that I will be able to give it just now because at the present moment I have got no information. But I will satisfy myself as to how he was able to commit these things.

He must be in the habit of doing perhaps. There must be some other people also involved in that. It is not an isolated question. I understand that.

(Interruptions)

SHRI BHUPESH GUPTA : You have been the Home Minister. You know all these things.

SHRI Y. B. CHAVAN : I will go into it thoroughly.

SHRI S. N. MISHRA : Sir, for us the most important consideration is to prove, when the fraud is established ultimately, whether the loss that we have sustained is a considerable part of his property. So, the question that was asked by Shri Bhupesh Gupta is whether the government is trying to organise an inventory of the properties owned by Shri Sami Patel and if it has done that, then we would like to know what is the estimate of the properties that are being owned by him.

SHRI Y. B. CHAVAN : Certainly you are very legitimately asking. My only point is, you see, at the moment, I am...

(Interruptions)

SHRI BHUPESH GUPTA : Every body...

(Interruptions)

MR. CHAIRMAN : No, no. Please sit down...

(*Interruptions*)

SHRI Y. B. CHAVAN : I can certainly go into this matter, Sir.

MR. CHAIRMAN : Mr. Kulkarni.

SHRI BHUPESH GUPTA : What was the... (*Interruptions*) What was your predecessor doing?

MR. CHAIRMAN : Please sit down.

SHRI A. G. KULKARNI : May I know from the Government whether the Government is aware of the news item published in the English papers that the Central Bank of India has refused to honour the guarantees given by them to various industrialists or to various bankers in Germany and the U.K.? Is the Government of India aware of such a news item? That is No. 1.

Secondly, may I know whether the Director of the Central Bank of India has been changed and whether, it being a nationalised bank, the Government of India will inquire and see, whether it is legitimate or whether it is fraudulent that responsibility is placed on the Central Bank of India? Will the Government of India enquire into it?

My third point is this: I particularly asked this question last time when the Minister of State was here.

(*Interruptions*)

Mr. Khadilkar stated on the floor of the House, that I made a suggestion that before all these transactions are squared up, the Director of the Central Bank of India should be held responsible for such fraudulent action in the Central Bank of India, he said that he will enquire and place the matter on the floor of the House. So, I would request the Finance Minister now to get the statement of Mr. Khadilkar and to state what action has been taken by the Government of India in this connection.

SHRI Y. B. CHAVAN : Sir, as far as the first question is concerned, some of the bills have become due already. I can give some information. There were about five bills, five were involved in this amount out of which three have become due on the 12th, 26th and 28th of June. These were presented. But the Central Bank of India there in London has refused to make

payments because they think certain forgeries and other things are involved in it. So, they have refused to pay.

SHRI A. G. KULKARNI : What about the second point? The Minister of State for Finance said that the enquiries had been made and the responsibility fixed on the Director. What has happened to it?

SHRI Y. B. CHAVAN : I will find it out.

SHRI MULKA GOVINDA REDDY : Sir, I would like to know from the Finance Minister whether the present Management of the Central Bank of India, London Branch, has made any statement and, if so, whether the Minister is prepared to lay it on the Table of the House?

SHRI Y. B. CHAVAN : I do not think they have made any statement as such.

SHRI ARJUN ARORA : May I know whether the Government is considering the advisability of evolving methods under which recurrences of Sami Patel's in the nationalised banks are avoided and whether the government has applied its mind? May I know what the procedures are that it has adopted so that the public sector banks are not cheated again?

SHRI BHUPESH GUPTA : Not when Mr. I. G. Patel goes with Mr. Tata in the same car.

MR. CHAIRMAN : Please sit down. Allow him to speak.

SHRI Y. B. CHAVAN : Naturally one will have to go into the *modus operandi* that has been resorted to by Mr. Sami Patel in this particular matter and we have to draw our own inferences and learn our own lessons which will have to be uniformly applied. As far as the procedures for supervision and inspection are concerned, they will have to be gone into. I think there must have been some sort of a clever way that must have been used for camouflaging the accounts. It is quite possible. As far as the general matters are concerned, the only rule that can be applied is to find out the character of the man for fixing the responsibility.

SHRI BHUPESH GUPTA : How can you find out?...

(*Interruptions*)

MR. CHAIRMAN : Please sit down.

SHRI Y. B. CHAVAN : For that I can depend on you. I have a certain assessment of you.

MR. CHAIRMAN : All right, all right.

(Interruptions)

SHRI BABUBHAI M. CHINAI : Sir, he mentioned some names of the persons who are not present in the House. This thing is going on.

(Interruptions)

MR. CHAIRMAN : Please sit down. Mr. Appan.

SHRI G. A. APPAN : May I know from the hon. Finance Minister the persons who brought Mr. Sami Patel first into the arena of the Central Bank and who are the top-most officials that have been appointed by him during the course of his tenure of office? May I know whether these are the three or four cases of fraud in which he is involved or there are other cases also? May I also know whether he will place on the Table of the House a list of the properties that he owns and the names of his friends in India and abroad and whether he will institute some civil intelligence to go into all these things and give us a concrete reply in regard to this matter as soon as possible?

SHRI Y. B. CHAVAN : Sir, I have only said that I will thoroughly go into this question and study the whole aspect of it and whatever I tell the hon. Members depends upon what questions are put to me.

MR. CHAIRMAN : Next question.

Re. Starred Question No. 214

DR. BHAI MAHAVIR : Sir, even on my question which was postponed last time I was not allowed to ask any supplementary and you did not permit me supplementaries on another important question also. So as a protest against this, I am not going to ask this question.

MR. CHAIRMAN : Mr. Advani.

SHRI LAL K. ADVANI : With your permission, Sir, before I put the question I would like to raise this point : The other day also the same thing happened. I asked

as to whether it was proper for the Government to give answers to important questions tabled for the day in the early morning and give publicity in advance. It happened last Friday and on some other day. Again when some question was tabled for Monday it had already been answered in the Sunday papers. This morning the Times of India gives a detailed answer to Question No. 214 about ceilings on urban property. I think this matter might be taken up. If it is not contempt of the House, it certainly is parliamentary impropriety for the Government to indulge in this kind of thing. It has not happened once, it has happened thrice. Publicity is given in advance in regard to most important questions. The first time it happened was in regard to the nationalisation of the sugar industry, then it was with regard to the Monopolies Commission and today it is regarding the ceiling on urban property. I believe these are all important matters.

MR. CHAIRMAN : I want to make the position clear. Under the Rules of Procedure there should be no release of any decision of the Government and no release of answers of any questions. I will read out the rule and that must be borne in mind.

SHRI LAL K. ADVANI : Before you give your ruling...

MR. CHAIRMAN : I am not giving any ruling. But I want to make it clear that answers to questions which Ministers propose to give in the Council shall not be released for publication until the answers have been given on the floor of the Council or laid on the Table. I am sure this rule will be observed by the Government.

शहरी सम्पत्ति-सीमा सम्बन्धी विधेयक

*214 श्री लाल आडवाणी : क्या स्वास्थ्य तथा परिवार नियोजन और निर्माण, आवास और नगर विकास मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि शहरी सम्पत्ति-सीमा सम्बन्धी एक विधेयक केन्द्रीय सरकार द्वारा राज्य सरकारों को भेजा गया है अथवा भेजा जाने वाला है;

(ख) यदि हाँ, तो विधेयक की मुख्य-मुख्य बातें क्या हैं; और