

RBI has circulated the modus-operandi adopted by fraudsters to all commercial banks and has also circulated a list of companies/individuals suspected to be involved and have advised the banks to exercise caution while dealing with them. Banks have also been advised to take action against controlling officers for their failure to detect the fraud at the early stages besides action against staff directly involved. CBI is also investigating the fraud.

Rental Accommodation of United India Insurance Co. Ltd.

408. SHRI SOUMYA RANJAN : Will the Minister of FINANCE be pleased to state :

(a) whether the United India Insurance Company Ltd. has taken the residential premises of its Directors or their spouses on rent;

(b) if so, the details thereof;

(c) since when those premises have been used as Transit Camp/Guest Houses and the amount of rent paid and other expenses incurred on such premises from 1992 to June, 1996 year-wise;

(d) whether the benefits acquired by the Directors have been disclosed in the Balance Sheets of Insurance Company as per requirements of Companies Act, 1956;

(e) if so the details thereof; and

(f) if not, the reasons therefor and the action taken or proposed to be taken against the persons responsible for the lease?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) to (c). The United India Insurance Company Limited (UIIC) has reported that it has a Transit Camp at Hyderabad since 1986. The owner of the earlier premises wanted the premises for his personal occupation. Besides, the premises became unsuitable for a Transit Camp on account of acute water shortage. The UIIC has acquired on lease basis, the present premises at Hyderabad which belongs to the part-time Nominee Director of the Government on its Board after advertising for a new premises in September, 1993, and after evaluating through a recognised valuer the fair market rent of the premises and following other procedural requirements of the company. Under the Companies Act, 1956 there is no prohibition for leasing out his premises even by a full-time Director to the Company on the Board on which he is represented. As against the fair market

rent of Rs. 12,100/- per month assessed by the valuer the company hired the accommodation only at Rs. 10,200/- per month w.e.f. December 1993. This works out to a little over Rs. 3/- per square foot. Taxes and other expenses are borne by the landlord.

(d) Section 211 of the Companies Act 1956 does not apply to insurance companies, who will have to prepare their balance sheets as per the provisions of Schedule-I of the Insurance Act 1938 in which there is no separate provision for disclosure of rental income received by a Director from the premises owned by him and let out to the company.

(e) and (f). Do not arise.

[Translation]

Pending Cases in Courts

409 PROF RASA SINGH RAWAT :
SHRI E AHMED :
SHRI JAGMOHAN :

Will the Minister of LAW AND JUSTICE be pleased to state :

(a) the scheme of the Government to provide easy, inexpensive and early justice to the public, and

(b) the number of cases lying pending in high courts and Supreme Court of the country till date, State-wise?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D KHALAP) : (a) To make an in-depth study of the problem of arrears in courts, a Committee of three Chief Justices of High Courts (Justice Malimath Committee) was constituted by the Government in 1989. The committee has made several recommendations on various aspects covering jurisdictional and procedural modifications, the improvements in the judiciary, the setting up of specialised bodies such as tribunals/commissions to deal with specific types of cases, the fixation of Judges strength and appointment of Judges in High Courts, the creation of more posts in the Subordinate judiciary and a number of other general recommendations relating to modernisation of office equipment in courts and allocation of more funds to the judiciary. These recommendations were forwarded inter-alia to all the concerned State Governments and the High Courts for necessary follow-up action.