

ton Mills before advising the Foreign suppliers to ship the cotton in the name of respective Mills during the period from July 1977 to June 1979;

(b) whether it is also a fact that when the cotton imported on Mills account arrived in India, a number of such Mills did not clear the bales and consequently the Corporation had to clear the bales and in this process the Corporation suffered huge losses;

(c) if so, the amount of such losses during the aforesaid period and the amount of loss apportioned to each such mill; and

(d) the particulars of the defaulting mills and also whether any legal proceedings had been launched against the mills in question?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) Even though the Cotton Corporation of India insisted on the execution of Bank guarantee by the Mills, about 75 mills covering about 47,812 bales valued at about Rs. 17.12 crores did not furnish the Bank Guarantee.

(b) and (c). A number of Mills did not clear the bales and consequently the Corporation had to clear the bales and dispose them of in the market. Details about the amount of loss apportioned to each such Mill are given in the statement laid on the table of the House. [Placed in Library. see No. LT-4996/82].

(d) The Corporation has already initiated legal proceedings against all the defaulting Mills.

**Memo to P.M. from Builders Association of Srinagar, Kashmir against Corruption and Misuse of Authority by M.E.S. Officers**

5229. SHRI CHANDRABHAN ATHARE PATIL: Will the Minister of DEFENCE be pleased to refer to the reply given to Unstarred Question No. 10454 on the 30th April, 1982 re:

Memo to P.M. from Builders Association of Srinagar, Kashmir against corruption and misuse of authority by M.E.S. Officers and state:

(a) whether the Inquiry Board constituted to look into the allegations of corruption and misuse of authority by MES officials at Srinagar has completed its inquiry,

(b) if so, the details of facts in respect of each of the allegations made in the memorandum,

(c) the main recommendations of the Inquiry Board,

(d) action taken by Government thereon, and

(e) steps Government have taken or propose to take to check corruption and misuse of authority in the MES department?

THE DEPUTY MINISTER IN THE MINISTRY OF DEFENCE (SHRI K. P. SINGH DEO): (a) to (e). The report of the Court of Inquiry is expected to be received shortly. Appropriate action based on the findings of the Court of Inquiry would be taken.

**विदेश से उर्वरक का आयात**

5230. श्री निहाल सिंह : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या यह सच है कि कृषि मंत्रालय ने उर्वरक आयात के लिए उनके मंत्रालय से विदेशी मुद्रा की मांगकी है जबकि देश में उर्वरक पर्याप्त मात्रा में उपलब्ध है;

(ख) क्या यह भी सच है कि मंत्रालय द्वारा उर्वरक आयात करने का असली मकसद बड़े पैमाने पर धन कमाना है; और

(ग) यदि भाग (क) और (ख) का उत्तर सकारात्मक है, तो विदेशों से उर्वरक आयात करने के क्या कारण हैं?

**वित्त मंत्री (श्री प्रणव मुखर्जी) :**

(क) से (ग). सरकार द्वारा उर्वरकों के आयात से सम्बन्धित कार्यक्रम खाद्यान्न उत्पादन के लक्ष्य, देश में उत्पादन और देश में उर्वरकों के भण्डार आदि जैसी विभिन्न बातों को ध्यान में रखते हुए सम्बन्धित विभागों के निकट सहयोग से तैयार किया जाता है ताकि यह सुनिश्चित किया जा सके कि कम से कम मात्रा में आयात किया गया है। यह कहना ठीक नहीं है कि कृषि मंत्रालय द्वारा उर्वरक आयात करने का असली मक़दद बड़े पैमाने पर धन कमाना है। वास्तव में, कृषि मंत्रालय की ओर से उर्वरक के वास्तविक आयात का प्रवन्ध खनिज और धातु व्यापार निगम द्वारा किया जाता है ताकि वास्तविक आवश्यकता और देश में उर्वरकों की उपलब्धता के बीच के अन्तर को पूरा किया जा सके।

### Bungling in a Bank

5231. DR. A. U. AZMI: Will the Minister of FINANCE be pleased to state: (a) whether Government's attention has been drawn to the Investigation report appearing in the 'Onlookers' magazine of 15th July, 1982 under the heading "Bungling in a Bank" highlighting grant of loans in utter disregard of the laid down procedure, without any application of the individual/company visiting a foreign country in violation of RBI's directive opening of benami accounts, robbery in Bandra Bank Branch, ill-functioning of Recovery Cell, etc.;

(b) if so, reaction of Government thereto; and

(c) do Government propose to institute a high level inquiry into the malfunctioning of the Bank and lay a copy of the report on the Table of the House?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JAN-ARDHANA POOJARY): (a) to (c). The Government's attention has been drawn to the article appearing in the 'Onlooker' magazine of 15th July, 1982 relating to the affairs of the Corporation Bank. Several of the allegations contained in the Press report are of a general and vague nature and therefore are not capable of any scrutiny. However, on the basis of information furnished by the bank, the position is as following:—

(i) The statutory auditors have not passed any strictures against disbursements made by D.N. Road Branch of Corporation Bank. According to the statutory auditors, the transactions of the branch have been within the powers of the bank.

(ii) A computer service firm was sanctioned a loan by the then Chairman of the Corporation Bank and the amount in question was disbursed by means of bank drafts. The borrowers contend that they had received only a part of the machinery and the suppliers had fraudulently encashed one of the demand drafts. A criminal complaint against the suppliers of the machinery and some others has been filed by the borrower. The recovery of the outstanding amount is being pursued by the bank.

(iii) The Corporation Bank is occupying space on the first floor of the Earnest House at Bombay as lessee on terms approved by the Board of Directors of the Bank and the Reserve Bank of India. This building is in occupation of the bank for the last two years. This building is not reported to be unsafe. There are several other tenants also in the building, including the Income Tax Department, Bombay.

(iv) Before nationalisation, the bank had sanctioned a loan to a party for acquiring distribution rights of a film. The outstanding debt is reported to be fully secure.