

Directions given by the Reserve Bank of India to New Delhi Cooperative Bank, Khari Baoli regarding Transaction of Business with Public Depositors

873. SHRI MUHAMMED SHERIFF :
SHRI HARI KISHORE SINGH:
SHRI CHANDRA SHEKHAR
SINGH :

Will the Minister of FINANCE be pleased to state :

(a) whether on the 22nd October, 1971 the New Delhi Cooperative Bank, Khari Baoli, had been directed by the Reserve Bank of India not to transact any business with the public depositors; and

(b) if so, the reasons for the same ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) :

(a) and (b). Reserve Bank of India served a notice on the New Delhi Co-operative Bank Ltd., Delhi on the 16th October, 1971 informing the bank that, in terms of the proviso to sub-section (2) of section 22 of the Banking Regulation Act, 1949 (As Applicable to Cooperative Societies), a licence to carry on banking business in India cannot be granted to it. This refusal makes it obligatory on the part of the bank to cease transacting the business of banking as defined in Section 5(b) of the *ibid* Act. The decision was taken because the working of the bank virtually had come to a standstill and its financial position was far from satisfactory. The Reserve Bank of India came to the conclusion that the bank had no chances of survival,

The bank has also been placed under liquidation by the Deputy Registrar of Co-operative Societies, Delhi, on 12-10-71.

Foreign Exchange Earnings of India Tourism Development Corporation

874. SHRI MUHAMMED SHERIFF:
Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state :

(a) whether the India Tourism Development Corporation earned any foreign exchange for the country during 1970-71 and if so, to what extent;

(b) the profits earned during the year 1969-70 and likely to be earned in the coming year ?

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH) : (a) Yes Sir, it is estimated that foreign exchange of the order of Rs. 250 lakhs has been earned due to various activities of the India Tourism Development Corporation.

(b) The profit earned is indicated below :

Year	Net profit
1969-70	*Rs. 2.65 lakhs
1970-71	Rs. 22.56 lakhs

Alleged swindling in the Central Bank of India, New Delhi

875. SHRI MUHAMMED SHERIFF :
Will the Minister of FINANCE be pleased to state :

(a) whether any enquiry was held for allegedly swindling the Central Bank, New Delhi of about Rs. 3 lakhs and any arrests were made in this connection; and

(b) if so, the result of the enquiry and the action taken by Government in this regard ?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) :

(a) and (b). During the course of a special audit in September, 1971, a fraud came to light in the Jaanpath branch of Central

* Ashoka Hotels Ltd. and Jaanpath Hotels Ltd. were merged with India Tourism Development Corporation on 28th March, 1970. This figure therefore does not include the profit of Rs. 11.67 lakhs earned by the hotels in the year 1969-70.