

next five years would need \$ 100 billions;

(b) if so, whether the Asian Development Bank has agreed to provide the amount to India;

(c) if so, whether the Finance Minister also attended the meeting with ADB held on May 12;

(d) if so, the decisions taken at the meeting; and

(e) the extent to which India's requirement has been accepted by them?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (e) The Finance Minister in his capacity as the Governor for India, in his statement at the 30th Annual Meeting of the Board of Governors for Asian Development Bank at Fukuoka, Japan, held in May 1997 highlighted India's requirement of over US\$ 100 billion during the next five years for the Infrastructure Sector.

There were no specific discussion in the meeting on any particular infrastructure project or on the funding of the full infrastructure needs by ADB.

#### **Use of Bank Account of Demise**

2650. SHRI JANG BAHADUR SINGH PATEL:

SHRI I.D. SWAMI:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that the legal heirs of the bank account holders are not informing the bank authorities of the demise of the bank account holders in some cases and the said accounts are used by their legal heirs even after the demise of the account holders;

(b) if so, the number of cases that have come to the notice of the Government, Reserve Bank of India and the individual banks both private and public sector in the last three years; and

(c) the details thereof and the action taken thereon by the Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Reserve Bank of India (RBI)'s data monitoring system does not generate the information asked for.

According to RBI, in case of Joint accounts where the man-date for operating the accounts is 'either or survivor', the surviving holder can operate the account as he is entitled to the balance of the account in the event of death of one of the joint account holder. In case of the other joint account holder (s) where the operations are allowed either jointly by the account holders or in the case of accounts operated by a single depositor no operations are to be allowed consequent on the death of the account holder. In such cases the surviving holder(s)/nominee(s)/legal holder(s) have to satisfy the bank by producing the

requisite documents viz death certificate declaration as regards names of various legal heirs, claim application succession certificate etc. from a competent Court if large amount is involved. It is incumbent for the survivors to inform the Bank about the death of the account holder.

#### **Dilute of Prudential Norms**

2651. SHRI RAM NAIK: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve bank of India have found it necessary in January, 1997 to dilute prudential norms for loan classifications and loan provisions; and

(b) if so, the details thereof alongwith the reasons for diluting the prudential norms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Reserve Bank of India (RBI) have reported that they have issued a circular in January, 1997 to all commercial banks clarifying certain issues relating to income recognition, asset classification and provisioning and capital adequacy. These clarifications have been issued after discussion at the meeting of the Bank Audit Committee. The instructions contained in this circular are intended to eliminate practical difficulties and not to dilute prudential norms and loan classification and loan/loss provisions.

#### **SC's Directions on CBI**

2652. SHRI I.D. SWAMI: Will the Minister of FINANCE be pleased to state:

(a) whether the Supreme Court has delivered a judgement in a case of Central Bank of India last year that a course of conduct spread over sufficiently long period and involving innumerable instances is by itself a misconduct;

(b) if so, the details thereof;

(c) the number of officials in the private and public sector banks found involved for lapses in performance of their duties spread over a sufficiently long periods in the last three years; and

(d) the action taken against all such officials, bank-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) The Supreme Court of India in its judgement delivered in 1996 in a case relating to Central Bank of India had, inter-alia, observed that in the case of a bank or any other organisation, every officer/employee is supposed to act within the limits of his authority and a bank cannot function properly and effectively if its officers and employees do not observe the prescribed norms and discipline. The Court had also held that the very act of acting beyond authority—that too a course of conduct spread over a sufficiently long period and involving innumerable instances—is by itself a misconduct.