

[Translation]

**NTC Mills**

\*44. PROF. PREM SINGH CHANDUMAJRA :  
PROF. RASA SINGH RAWAT :

Will the Minister of TEXTILES be pleased to state :

(a) the total number of NTC mills alongwith the number of workers working therein;

(b) the total capital invested by the Union Government in these mills and the total amount of losses incurred upto March, 1996;

(c) the present status of the revival package which was approved for NTC mills earlier;

(d) whether the Government propose to adopt an interim plan to revive the ailing units of NTC;

(e) if so, the details thereof; and

(f) the amount spent for revival and modernisation of these mills during the last three years and the funds earmarked for the current financial year?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) :

(a) The NTC has under its control 120 mills with a total strength of 1,10,661 employees, including 99,709 workers.

(b) As on 31.3.1996, government has invested an amount of Rs.512.10 crores as share capital in NTC. The Government have also given till date an amount of Rs.2560.23 crores as loan for working capital requirements, interim liquidity, wages and salaries, etc.

(c) The Turn Around Strategy for modernisation of NTC mills approved by the Government on 9.5.1995 has been placed before the BIFR for its approval. The package is under consideration of the BIFR.

(d) No, Sir. There is presently no interim plan to revive the NTC Mills.

(e) Does not arise.

(f) The rehabilitation package placed before the BIFR envisages an outlay of Rs.2005.72 crores which will be met out of the proceeds from sale of surplus lands and assets. As the package is yet to be approved by the BIFR, Government has not sanctioned any amount for revival and modernisation of NTC mills during the last three years.

[English]

**Privatisation of Insurance Sector**

45. SHRI JAGAT VIR SINGH DRONA :  
SHRI N.K. PREMCHANDRAN :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are considering a proposal for privatisation of the Insurance sector, particularly the Life Insurance;

(b) if so, the present status of the proposal;

(c) whether some foreign companies have made offers to the Government in this regard; and

(d) if so, the details thereof and the Government's reaction to each of these offers?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d). Under the existing Law, both Life and General insurance business are the exclusive privilege respectively of the Life Insurance Corporation of India and the General Insurance Corporation of India, together with its four subsidiaries.

1. The Common Minimum Programme (CMP) of the Government lays down that :

"There is room for public sector companies and private sector companies to co-exist and compete in the financial sector. We have gained considerable experience in the working of the banking sector. The said experience will be applied to the restructuring of the insurance industry, but at the same time, public sector companies like LIC, GIC etc. will be strengthened."

3. During the Budget speech in July, 1996, it was stated that :

"An interim, non-statutory Insurance Regulatory Authority was set up in January 1996. I now propose to introduce a Bill to make it a statutory body and to empower it suitably. When I return to the subject of insurance in the next Budget, I shall address some of the policy parameters outlined in the CMP, including the sequence of steps for the restructuring of the insurance industry".

4. Government is currently processing a Bill for giving statutory basis to the Insurance Regulatory Authority. Other measures for reforms of the insurance sector, are being examined in consultation with the Insurance Regulatory Authority.

**Financial Embezzlements in Banks**

\*46. SHRI MANGAL RAM PREMI :  
SHRI K.V. SURENDRA NATH :

Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No.1155 dated July 19,1996 regarding financial embezzlements in banks and state :

(a) whether the information has since been collected;

(b) if so, the details thereof; and

(c) if not, the reasons for delay and the time by which the information is likely to be placed on the Table of the House?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). The information has since been collected. Information relating to bank-wise

position of frauds detected and action taken against delinquent employees in public sector banks during the years 1993, 1994, 1995 and 1996 (upto March, 1996) is given in the enclosed statement I & II.

Withdrawal of deposit accounts through forged instruments, fraudulent encashment of negotiable instruments by opening accounts in fictitious names, misappropriation through manipulation of books of accounts, frauds in clearing transactions, misuse/overstepping of lending/discretionary power and frauds in foreign exchange by providing fake import bills etc. are some of the methods used in perpetrating of the frauds.

The public Sector banks at the instance of Government and RBI have taken several steps from time to time for checking corruption and prevention of frauds. These steps include issue of comprehensive guidelines by RBI for strengthening the control mechanism in banks, review of fraud cases on a continual basis by RBI, advising the banks of Modus-operandi in ingenious cases alongwith required safeguards to prevent their recurrence, proper training of operational personnel and investigations and scrutiny into reported cases of major frauds as well as snap inspections covering systems and procedures and control arrangements in fraud prone areas by the RBI, etc.

#### STATEMENT-I

*Bank-wise number of frauds detected in public sector banks and the amount involved therein during the years 1993, 1994, 1995 and 1996 (upto March).*

(Rupees in lakhs)

S No	Name of the Bank	Number of Frauds				Amount involved			
		1993	1994	1995	1996 (upto Mar.)	1993	1994	1995	1996 (upto Mar.)
1	2	3	4	5	6	7	8	9	10
<b>Public Sector Banks</b>									
1.	State Bank of India	597 02*	616	554	101 02*	773.44 25.08	2010.97	789.99	1274.79 54.38
2.	State Bank of Bikaner & Jaipur	36	21	18	03	536.63	11.06	194.45	9.09
3.	State Bank of Hyderabad	28	23	40	01	97.11	63.55	157.59	0.20
4.	State Bank of Indore	20	26	09	02	161.63	1169.39	19.63	0.24
5.	Sate Bank of Mysore	28	37	38	04	7.51	252.95	22.87	2.79
6.	State Bank of Patila	26	30	33	02	222.61	100.05	610.11	4.42
7.	State Bank of Saurashtra	07	12	09	02	16.17	17.98	106.26	12.90
8.	State Bank of Travancore	20	25	22	08	32.49	70.22	126.21	57.75
9.	Allahabad Bank	33	39	48	14	45.14	2343.58	105.32	121.19
10.	Andhra Bank	66	25	41	07	2130.92	131.00	523.80	4.80
11.	Bank of Baroda	139 12*	159 15*	114 10*	23	568.46 36.54	2905.71 528.63	1151.74 52.85	120.49
							+U.Sh.9844000		
12.	Bank of India	168 16*	215 11*	156 04*	48 01*	725.19 4249.29	728.62 988.51	496.82 8.84	122.30 4.65
13.	Bank of Maharashtra	22	50	31	08	404.65	465.11	1891.65	43.73
14.	Canara Bank	259	217	167	49	801.13	1402.21	1953.01	43.11
15.	Central Bank of India	85	130	73	38	3234.72	347.46	188.64	19.50
16.	Corporation Bank	31	38	23	07	42.24	38.28	86.13	4.16
17.	Dena Bank	20	22	14	06	159.65	1049.62	140.04	18.42
18.	Indian Bank	41	60	37	14	638.24	286.26	83.08	34.23
19.	Indian Overseas Bank	75	71	43	10	143.54	356.97	326.92	5.39
20.	New Bank of India	29	-	-	-	69.72	-	-	-

1	2	3	4	5	6	7	8	9	10
21	Oriental Bank of Commerce	22	14	12	04	102 97	230 88	630 80	1 94
22	Punjab National Bank	88	118	56	27	3224 29	2003 36	212 70	191 05
23	Punjab & Sind Bank	21	17	17	04	654 21	163 26	74 38	14 11
24	Syndicate Bank	139	103	109	22	174 10	1371 80	782 43	22 68
25	Union Bank of India	61	39	59	18	756 54	336 54	251 71	131 53
26	United Bank of India	50	43	40	09	11459 66	171 09	41 21	23 80
27	UCO Bank	35	58	74	08	183 46	416 89	374 17	26 84
		4*				165 27			
28	Vijaya Bank	33	32	39	12	190 83	45 93	147 77	2 19
	Total	2213	2266	1890	454	32032 43	20007 88	11551 12	2372 67
							+U. Sh 9844000		

\*Outside India, U. Sh. = Uganda Shillings

(Data Provisional)

## STATEMENT-II

Bank-wise Action Taken Against the Delinquent Employees of Public Sector Banks for Frauds During the Years 1993, 1994, 1995 and 1996 (Upto March)

Name of the Bank	Convicted			Awarded major/minor penalties					Out of (3) dismissed/discharged/ removed			
	1993	1994	1995	1995	1996	1993	1994	1995	1996	1993	1994	1995
State Bank of India	24	28	16	03	164	219	199	48	58	68	49	07
State Bank of Bikaner & Jaipur	-	-	01	-	20	18	33	01	05	03	-	-
State Bank of Hyderabad	15	04	-	-	33	25	18	03	09	04	04	01
State Bank of Indore	-	-	-	-	-	12	01	02	-	01	-	01
State Bank of Mysore	-	-	01	01	16	13	10	03	05	04	04	-
State Bank of Patna	-	-	-	-	09	12	06	04	03	06	04	02
State Bank of Saurashtra	-	-	-	-	01	08	09	04	01	02	-	-
State Bank of Travancore	-	-	-	-	06	32	16	02	01	07	04	-
Allahabad Bank	-	-	-	-	29	32	35	02	06	08	03	-
Andhra Bank	02	07	05	-	20	28	27	12	03	05	08	05
Bank of Baroda	-	-	-	-	13	15	23	08	06	02	03	02
Bank of India	-	01	-	-	11	38	37	06	07	18	21	05
Bank of Maharashtra	-	-	-	-	13	13	30	01	08	07	12	-
Canara Bank	05	-	-	-	88	85	96	26	26	27	30	08
Central Bank of India	-	01	-	-	67	81	58	27	42	44	23	09
Corporation Bank	05	-	03	-	05	04	17	05	04	04	06	03
Deja Bank	-	-	-	-	27	30	27	09	07	07	05	03
Indian Bank	01	-	-	01	64	121	71	28	08	08	04	-
Indian Overseas Bank	03	02	02	-	47	73	82	09	13	23	13	05
Oriental Bank of Commerce	-	-	-	-	01	08	04	-	03	04	02	-
Punjab National Bank	01	03	01	-	91	221	169	64	22	54	29	10
Punjab & Sind Bank	-	-	03	-	10	37	26	09	05	09	05	04
Syndicate Bank	-	-	01	-	55	29	50	20	42	19	36	10
Union Bank of India	-	-	-	-	26	36	36	28	02	11	10	-
United Bank of India	-	-	-	-	-	16	32	02	-	02	10	-
UCO Bank	01	02	-	-	30	28	39	08	11	11	12	03
Vijaya Bank	-	02	-	-	28	14	17	02	03	02	04	-
Total	57	50	33	05	874	1248	1160	307	312	360	301	78

\*Upto March, 1996 (Data Provisional)