

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2283

ANSWERED ON:06.08.2010

FEES PAID TO LAWYERS

Ray Shri Rudramadhab

Will the Minister of FINANCE be pleased to state:

- (a) whether the Central Bank has spent about Rs. 69 lakh to muzzle whistleblower as lawyers fees in 18 months;
- (b) if so, the facts thereof and reasons therefor;
- (c) whether the Government has plans to set up a Committee to prepare guidelines on lawyers fees being paid by various financial institutions and civil authorities like Municipal Corporation of Delhi, New Delhi Municipal Corporation etc. to save public money;
- (d) if so, the details thereof; and
- (e) if not, manner in which the Government plan to check the huge expenditure being made by Government/ Semi-Government/ State Governments by paying heft to lawyers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) and (b): The Central Bank of India has reported that it has incurred an expenditure of Rs. 73.06 lacs as professional fees towards legal and consultation charges from 20-10-2008 to 20.05.2010 to defend the Bank and its Executives as writ petition was filed by an Ex-General Manager of the Bank. The Ex-General Manager was suspended and charge sheeted for certain acts and omissions. According to the Bank it was not a case of whistle blowing. The Bank had to engage a Senior Counsel keeping in view that the Ex-General Manager had engaged a Senior Advocate.

(c) to (e): The fees charged by the lawyers are dependent on the status of the lawyers, as junior or senior advocates and their expertise on relevant law and advocacy. In a given case pending in a Court, whether a senior advocate needs to be engaged to appear on behalf of the bank, is a decision taken by the bank taking into consideration the importance of the issues involved, the likely impact of the Court's decision may have on other similar cases, stakes involved in the matter and any other important aspect in relation to the pending cases. The bank also has a concern to ensure that the costs involved in tiling or defending any litigation are minimised. As such there are no restrictions or ceiling on fees that may be charged by Advocates prescribed by Bar Councils or any other authorities.