

included two former Prime Ministers and they are Members of the National Council. If they would have been serious in this then they would have been accompanied by Shri V.P. Singh and Chandra Shekhar Singh ji. Since they were no serious about it so they did not go. Sir, besides this our four Chief Ministers who are the Members of the National Council.....(Interruptions)

MR. SPEAKER: There is no need of all this discussion.

SHRI RAM NAGINA MISHRA: Sir, all these three Reports should be presented. One from the four Chief Ministers who are the Members of the National Council, second from the Delegation of B.J.P. that had visited the place, and the third which you are saying. All the three Reports should be presented in the House and then the discussion should follow, so the truth may come out. It appears that something big is contained in their Report.

MR. SPEAKER: I was informed that there was a case of contempt of Court on the same thing, and it was asked from me that how far the discussion would be accepted. Later, it was also said that the report would be placed in the Library and copies would be provided to the Members as well. But it appears that the Members have not been provided the copies of the Report, and perhaps no copy is placed in the Library even. I will enquire. I shall also enquire about the contempt of Court case that was due on 8th. I will enquire about the progress of the case.

[English]

I will discuss the matter with you.

(Interruptions)

[Translation]

SHRI SOMNATH CHATTERJEE: The Report may be circulated.

11.17 hrs.

## RE: MISUSE OF PUBLIC FUNDS BY CERTAIN BANKS

[English]

SHRI JASWANT SINGH (Chittorgarh): Mr. Speaker, Sir, I am constrained to bring to your notice the extremely serious dimensions that this banking scam has acquired. This has been raised earlier in the House and the reason why I seek your indulgence and permission to raise it again is because there are three extremely serious dimensions of this.

The first, of course, is the misuse of public funds Sir, The funds available with the banks are not funds that the banks have generated from some hidden or secret sources. These are funds of the citizens of India or of institutions of India which have been with the banks. Most of these banks to our knowledge at present are banks which are nationalised banks and are under the direct governorship or direct administration of the Central Government. Funds that are being spoken of are in the region of Rs. 2000 crores and Rs. 2,500 crores. This is not a small or insubstantial sum of money about which this House has been agitated for the past one week or more. So, the first aspect is about the misuse of public funds.

Then there is a second connected aspect which is about the misconduct of the officials connected with banking. We have repeatedly raised this matter and on none of the occasions has the Government come forward and said as to what it is doing in regard to the errant officials of the banks concerned. The House is not informed as to what the Government is doing about these errant officials and these officials are not engaged in *Dal Chun ka paisa*

We have a National Housing Bank which

is engaged in a scam of something like Rs. 560 crores. The State Bank is engaged in a scam of over Rs. 650 crores. We do not know which other banks are involved and suddenly we come to learn from newspapers that very senior officers of these banks — I will not name them — have either gone on leave, or have been persuaded to go on leave, or have resigned. This is not satisfactory. Because when the dimension of the scam is in excess of Rs. 2000 crores when each of these banks on the flimsy grounds like Bankers' Receipts has played with public funds to such an extent, that it does not suffice for these officials to be sent on leave or to be persuaded to resign or to resign.

There is a third aspect which is a very serious aspect and is also worth consideration of this House. I say with great deal of respect that the Government and the Union Finance Ministry has a responsibility is an aspect that this House has a right to come to know. After all these banks are under the direct governorship and administration of the Union Finance Ministry. The Union Finance Ministry till date has not come out about the extent of this scam. It has till date not come out what the Union Finance Ministry's responsibility is. It has till date authoritatively not informed the House what action it is taking. All that it has said is: "We will institute a CBI Inquiry. We will investigate the whole matter and we will punish the errant officials." I submit that this is not enough. When such a dimension of scam is involved, the Union Finance Ministry is directly responsible. It is the total banking system of the country that is now being shown to be hollow. We all believe that bankers have been issuing not Rs. 10 lakhs, Rs. 20 lakhs but they have been issuing hundreds of crores of rupees on the most flimsiest of grounds to the most questionable operators on the stock exchange. And the Union Finance Ministry to date has not come out with any authorised authoritative version of what actually has happened; what the size

of dimension of this problem is and what the Union Finance Ministry or the Government doing about it.

Finally there is fourth aspect. And that is about the entire functioning of the capital market in the country. My good friend, Shri George Fernandes, has often raised this point. In the capital market, near about 30 per cent is a small investor. That small investor is going to be affected because some large investors are in cahoots with the banking system of the country. If some large investors have played with the capital market, then inevitably small investor is going to be hit. Therefore, for the health of the capital market, it is the responsibility of the Union Finance Ministry to ensure that small investor on the stock exchange is not hurt. What we demand is that an authoritative statement by the Government on the total dimension of this scam; what the Government intends doing about it; what are the facts of the matter and what have they already investigated. It does not suffice to say that the CBI has been asked to look into it or the Reserve Bank has been asked to look into it. It is like asking the thief itself to look into what you have done about it. Therefore, within 24 hours or 48 hours, the Finance Ministry could very well have obtained at least preliminary size of the problem that we are faced with. This is far too serious a matter to be left for three months hence for us to come to know. This House rises tomorrow. This House has a duty to perform. And that duty will not be performed unless we demand the Government to come out with full facts in this regard so that we know what is happening.

SHRI INDRAJIT GUPTA: Who is this Harshad Mehta, please tell us.....(Interruptions)

SHRI JASWANT SINGH: My good and senior friend asked me a question, whether I know a lot of things and who is Mr. Harshad Mehta. I think, about this Harshad Mehta, a

great deal has already been said about by Shri George Fernandes. Now this is a very strange situation. There is an operator on the stock exchange who has manipulated the stock exchange for the past many months. What is much more worrisome to me is that this Harshad Mehta has not just manipulated the stock exchange but he has manipulated the banking system of the country. Now this is a criminal charge.....(*Interruptions*)

SHRI INDRAJIT GUPTA: You do not like him to be arrested.....(*Interruptions*)

SHRIJASWANT SINGH: I am normally, extremely reticent to raise demands like arrest 'X', 'Y' or 'Z' on the floor of this House. It is very easy for me to say, arrest 'X', 'Y' or 'Z'. The dimension of what Mr. Harshad Mehta has done is that he has not just played with the capital market, he has played with the banking system of the country. It does not suffice for him merely to be charged. How has he played with the banking system? There was on this Mr. Harshad Mehta an Income-tax raid conducted in the month of February. Therefore, the Government cannot say that they were after that Income-tax raid in February unaware of what was happening in the month of February. Suddenly you came to know about the dimension of the size of Harshad Mehta's activities. Since February you have had, in your possession, knowledge about all his activities. Since February you know that he is not only manipulating the capital market but he is playing with the banking system. I am sure the Government must come forward with facts. (*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): All the files are with the Finance Department. (*Interruptions*)

[*Translation*]

SHRI VISHWANATH PRATAP SINGH (Fatehpur): Mr. Speaker, Sir, the case of

Banks was just now raised by Shri Jaswant Singh, and all of us are worried on this account and the banks having public money, have been defrauded. All our middle class people invest their money in shares. They have lost huge amount of money. The people have lost faith in banking system. They are surprised to know the extent to which the banks can be defrauded. The Government is responsible for supervising the working of banking system. It is a fact that there was a raid by Income Tax Officers on 23rd and during the raid some papers and files were recovered. According to these files and papers big names have come into light with whom Harshad Mehta has got connections. But Three months have passed. What the Government has been doing? Has anybody been interrogated on the basis of the files or not? Papers were recovered from his house on 28th were any questions were asked from the persons connected with these papers or not? No person holding a responsible post in the Government can escape responsibility by saying that he had not committed this act. The question is not whether he was involved. When this was done, what action did he take? We have installed the Government to check corruption. Has the Government checked it or not? May I know whether the Government has fulfilled its responsibility or not and if it has done so. Then to what extent and in what way? If the Government only says that C.B.I. will look into this matter, the question is as to what the Government has been doing for the last one year. Who will answer this question? Harshad Mehta alone will not answer it. He will look after his own affairs and if he does something, the Government shall have to face the consequences. There is no supervision of the Government. The country is facing a bad situation. I do not allege, but a major scandal is brewing up. At least we are not facing the problem that we have to answer for a major scandal in eleven months. Anything may be going on in this House but such a situation should not arise. I am surprised how such a

situation arises. Hon. Finance Ministers should necessarily give a detailed report on the situation, and apprise the House of full details as to how it all happened and where lies the fault. Regarding prosecution we may be informed as to why Harshad Mehta is full of "harsh" (pleasure) and we are unhappy. What action is being taken against him? A person, who is committing such a fraud on the country should be put behind the bars. The Government lacks strength to punish him. The Government should announce the names of the people mentioned in the papers. There is nothing like Swiss Bank secrecy. It is the responsibility of the people associated with the Banks that the Banking system should function smoothly. May I know whether they have discharged their duties properly. Is it not their responsibility to lodge a case or make esquires immediately? Action may be taken by the Government directly after the responsibility is fixed. There is no question of hesitation Hon. Finance Minister may reply.

[English]

SHRI SOMNATH CHATTERJEE (Bolpur): Mr. Speaker, Sir, what is a matter of greatest concern is that the highest financial institutions in this country are clearly involved in one of the biggest scandals that the country has seen so far. I believe it is the common view of the entire House that this is the biggest scandal. The Reserve Bank of India, the State Bank of India, UCO Bank, National Housing Bank, PNB and so many important banks are involved. When did the Government come to know of it? It seems to me that some of the officers are either being asked to resign or being asked to go on leave. Is it just because it was raised on the floor of this House that the Government has suddenly woken up? The National Housing Bank which is having the people's money for the purpose of investing in rural housing seems to be busy with building house of cards with dud bankers' receipts. This is the functioning of the National Housing Bank

and it seems that one person in the country has been ruling the entire stock market and has even been controlling the Income Tax Department. It appears, in February this year, there was an income tax raid on this person. On the 28th of February this year, some documents have apparently been seized, but the Income Tax Department has entered into a settlement. That is what I understand. The Finance Minister is here; he can react to that. The Income Tax Department is happy only with making a settlement with a person on whom an income tax raid was made. What transpired from the documents? How did he come about to indulge in this sort of activities for months together?

Sir, it is told that he has paid Rs. 20 crores for the income tax settlement. Where did this money come from? What was the source of income for this gentleman? It is also told that a cheque for the largest amount in this country has been drawn by him on the State Bank of India and the State Bank of India has paid it and the amount is Rs. 622 crores. Was the money deposited in his name in the account? How had the State Bank of India been able to raise this money on his account? These are matters on which the country is not being taken into confidence and this House is not being taken into confidence. Just merely saying that we shall seriously look into this matter or the CBI is looking into this matter will not do. Thousands of ordinary people in this country have been lured by a simulated financial frenzy to make some easy money and thousands of ordinary people - as it was rightly pointed out, we have also got the information - have borrowed money from their Provident Fund accounts and invested in the stock market. They have withdrawn money from the normal savings deposits and invested in this. Today, they have lost everything and the Government of India is not responsible. What we are saying is that this House should be immediately told as to what is the real position. When did the Government come to know of it? What



enquiries have been made in respect of Mr. Mehta? How did he suddenly become an all powerful person in India, to control the entire stock market on which so much importance is being given by the Government these days under its new economic policy? Is this the way the new economic policy to be implemented? One person is controlling the entire Indian economy, the entire stock market. The entire banking system is dancing to his tunes. They are eager to oblige this gentleman and there is no dearth of money for him.

Sir, we read in the newspapers that even those companies which are lying closed, which are not carrying on business, if it goes round in the market that Mr. Harshad Mehta is interested in such companies, immediately there is a rise in the prices of shares of even those closed companies. It is an extraordinary situation. We have been told that the Chairman on N.H.B. is a financial expert. The Government of India has been encouraging this type of expertise. When common people, when ordinary, unemployed engineer asks for Rs. 50,000 from a bank for the purpose of investing in a small business, he is not given money. Then, all sorts of securities are demanded; guarantees are demanded. He is made to run from pillar to post for two years, three years. So many cases have come to us. We have referred so many cases. They have not been given the simple consideration. These high-ups in the nationalised institutions are doing like this.

We have been saying that this is a deliberate attempt to bring bad name to our nationalised banking system. It is a conspiracy that goes on.

Now some people in this country are treated above the law. They are the citizens to whom the question of equality does not apply. They are supposed to be superiors in this country. The whole economy today is going to get into shambles.

We demand stringent action. Why has the Government not initiated proceedings against them? What proceedings have been initiated against these persons including Harshad Mehta? Why could the Government not come to know, the Members of Parliament not come to know what is the type of banking accounts these people are maintaining, this person is maintaining? On the plea of secrecy of accounting, all sorts of secret transactions are going on. This is a most serious matter. More than rupees two thousand crores are involved. We cannot be just sitting spectators here. The Government must come out fully and take action including arresting these persons. We are not saying that nobody should be granted protection under the law. They can look after themselves. But the Government must show its intention to act, sincerity to act, its commitment to act and act here immediately. Proper proceedings must be initiated.

From what appears, the arrest of these persons has been called for including proceedings against high officials who are obviously in league with these persons. Therefore, we demand that in these cases there should not be any dragging of feet. Nobody should be above the law. The Government should not even seem to be in league with these gentlemen. In fact, enough is enough. Let us stand up. I am sure, the hon. Finance Minister — I have no doubt, he has the country's interest up in his mind — let him show that the leadership is given. There should be no impression of secret arrangement continuing further in this regard.

PROF. RUPCHAND PAL (Hooghly):  
The senior officials of the banks have been holding directorship on the Board of Directors of the companies owned by this particular unscrupulous broker. I can mention one — Mazda Leasing. In the Board of Directors of that company, the former Chairman of PNB and the Director of NHB are holding Directors' post.

Secondly, The Reserve Bank of India has imposed a ban, has issued the guidelines that there should not be such transactions. In spite of the specific instructions, these top officials had been, in nutshell, in collusion with these unscrupulous people not only with this particular broker but also with other brokers and other banks also. They had been colluding to exploit the weaknesses in the banking system and they had been flouting the RBI guidelines.

The Finance Ministry has been in the know of all these things, for the last few months. I accuse this Government for this complicity.

**SHRI CHANDRA JEET YADAV** (Azamgarh): This question was raised on Friday and the Finance Minister came in the House. One can obviously understand that he is also seriously concerned. In the House itself, he talked to two very senior Members of this House who raised this issue. He seems to have told that certain actions are being taken. Certain clues have been found and his concern was that it is public money and he is mainly concerned with the recovery of the money. That was his concern and I can understand that this is his obvious concern.

I am not going to repeat what we are interested in. It is such a big national scandal. Everybody knows it that it has happened for the first time in Free India and the biggest financial institution of our country which is a prestigious institution is involved in it. Therefore, there is a scare in the common people also.

**SHRI SOMNATH CHATTERJEE:** The Governor of Reserve Bank is also involved.

**SHRI CHANDRA JEET YADAV:** I was in Lucknow yesterday. I was told there — Mr. Finance Minister, Shri Manmohan Singhji, please listen — I was in Lucknow yesterday. In Lucknow there is a talk. I do not want to

mention on the floor of the House. But a very Senior Officer whose name is being mentioned publicly, that he is in collusion with Shri Harsh Mehta and he is the main person who has other officers also involved in it. I do not want to mention. I am prepared to give you that name later on. These people are discussing about his name.

I would like to know, first thing, whether on this issue, did you call at least the Chairman of the State Bank of India. Did you ask for his report? The clues which have been found, kindly take them into confidence, that certain steps you have taken and if you are not prepared to tell it publicly, let us know what is the reason that you are not able to take a public stand that the House is interested in doing. This is number one.

I would like that you must make a statement immediately on that.

Number two, there is also information with me from a young man who is working in State Bank of India. He told me that till now some money has been recovered and that money again is manipulation. One bank which is mentioned, the Punjab National Bank, and another was mentioned, I think, Sindh Bank or something, two banks, that those two banks have been approached by Harsh Mehta. He has approached those two banks and has got money from those banks and has paid back to the State Bank of India. Again, manipulation by collusion in other two banks.

**SHRI SOMNATH CHATTERJEE:** You know where the money has been got from?

**SHRI CHANDRA JEET YADAV:** Yes. Let them say. This is another information which I received yesterday only from a young man working in the State Bank of India. He gave me this information. I would like to know from you, what is your information on this issue. These things are being talked publicly.

Why not the Finance Minister of this country should at least take into confidence this House. I want to know these two things from the Finance Minister. He must make an immediate statement on this.

SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): I have given a notice regarding this subject.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): I want to make one or two points. The whole thing requires attention from a different direction also. It is not a matter of individuals, however big they may be. As has been indicated, it is a system which is there. It has something to do with the provisions of the Income-tax Act, it has something to do with the Acts concerning our banking and financial institutions and its relevance in terms of how the various top people are appointed in the financial sector. All these things are relevant. Today it appears that immediately we should demand the resignation of even the Governor of the Reserve Bank of India who was the Secretary of Finance for a long period and certainly he worked very diligently. I know him personally also. But it is not a matter of individuality in that sense. The whole system smacks of involvement at a still higher level along with the fact that unless a thorough inquiry in this system itself is made, there is no prevention of such action to occur in future also. There are these demands that the Minister of Finance assures the House what it should do. But apart from that, what is necessary is if we can demand a Joint parliamentary committee for the Solanki affair, this is a bigger scandal in monetary terms and involvement of very important people who are obviously there.

I, therefore, propose that there has to be a Parliamentary Committee - not only the CBI inquiry - to investigate into all these aspects including the provisions in the Income-tax Act. As per the present Act, as

soon as you begin your search and seizure operations, what happens is that the person concerned comes out and says: "I am making a declaration." After that, the search and seizure operation is over. We introduced an amendment. In his wisdom, the hon. Finance Minister turned it down without giving any explanation. Such things also have to be seen. Immediately, a settlement is arrived at and all the files are back to the owner himself and not taken over by the Department. So, a Parliamentary Committee should investigate into this matter and it should see what should be done to prevent such occurrences. In the meantime, penal measures have to be initiated and investigations should continue. Even if the Government is liberal to find out the links with the Government, to find out the role of the RBI Governor, the investigations should continue. We have to find out whether or not he should also be taken away from the scene for the present. This is what I want to submit before the Finance Minister and request him to respond. (*Interruptions*)

SHRI SOBHANADREESWARA RAO VADDE: Sir, I have given a notice on the same subject. Close on the heels of the startling revelations that a single stock-broker was able to get Rs. 600 crores from the SBI - even on that a discussion was allowed in this House and we expressed certain apprehensions that there might be several other instances where several hundreds of crores of rupees might have been, in a similar way, siphoned off from the nationalised banks for speculative purpose - now it has come out very clearly that the National Housing Bank and the UCO Bank are also involved in this. It is very strange that the National Housing Bank is involved. This Bank is solely set up to help the house-building activities of the poor and the middle-class people of this country. It is very strange that the precious funds have gone to these stock-brokers for speculative purpose. It is quite contrary to the clear directions from the Reserve Bank of India. So, I urge upon the

Government to make a statement in this regard. It is not only that. Really the people are wondering how that stock-broker and the persons who have helped him in passing off hundreds of crores of rupees, Shri Pherwani and Shri Margabanthu, they are all still scot-free and they are moving outside. They have done so much harm to the people of this country, to the economy of this country. I urge upon the Government to take a very stern action against all such persons who are connected with this. So, I support my colleague, demand that a Joint Parliamentary Committee should be immediately constituted to inquire into this matter. It is not only the persons, but, as my friend Shri Nirmal Kanit Chatterjee said, the very systems, the procedures that are involved in that.

MR. SPEAKER: Please do not repeat. Pleat conclude.

SHRI SOBHANADREESWARA RAO VADDE: When we ask for some information through this august House, we are told that under such and such rules, it cannot be disclosed. With what face, all these nefarious things have taken place? It is high time the Government must make it transparent and it must remove the secrecy clause in the public interest. I reiterate my demand that a Joint Parliamentary Committee should be constituted to go into this matter.

MR. SPEAKER: You do not have to repeat it again and again.

SHRI K.P. REDDAIAH YADAV (Machilipatnam): Sir, it is in the interest of the country that we have to take some remedial steps. It is common practice in this House that when something happens, the senior leaders of various parties will give a poetic description of that incident. Never have they attempted to say how to curtail such things. In December 1991, I have addressed letters to the hon. Prime Minister and various Ministers. I sent a format and I asked them

to have a bio-data of the various Chairman, Managing Directors of various Public Sector Undertakings. And what are their day-to-day dealings and affairs and their links with so many multimillionaires as well as with the politicians and the Ministers etc. No Minister has collected that information. And the Prime Minister has written to me that in due course, they are getting all the information and that he has instructed the Secretaries.

Harshad Mehta's case is one such case. In Bombay, Calcutta, Delhi, everyday, not less than hundred crores of rupees of the public money is being looted away by various officers at various levels. This has got a bearing on the law and order situation, on the Naxalite issue and on the terrorist issue. When such an incident takes place, you are not prepared to arrest the officers and to put them behind the bars. Leave alone Harshad Mehta. I am not bothered about Harshad Mehta. But what about you administrative machinery? When Shri V.P. Singh had put the Bajaj and Kirloskar for 48 hours behind the bars for a simple FERA offence, why this Government is afraid of putting those officers behind the bars?

Yesterday, Shri Tyagi was murdered in his house. How do we blame the terrorists, how do we blame the Naxalites, when such things - naked truths - are taking place in this country?

Therefore, at least, let Shri Manmohan Singh's hands be strengthened by all the parties and let us give a free hand to him to deal with such offences. Thank you.

SHRI A. CHARLES (Trivandrum): We, on this side of the House, are equally concerned about what has been happening in the last few days. And I would like to draw the attention of this House, through you, to another aspect of the banking performance.

In Kerala, there are thousands of small

and tiny industrial units. Most of them are sick. The only reason is that small working capital is not given to them in time. They have all the other infrastructure. They have the industry; they have the know-how; raw materials are there and other facilities are also there. The only thing is that a working capital of about Rs. 30,000 to Rs. 50,000 is not there.

I have an association and I am the President of that association. There are over 6,000 units in Kerala in 14 districts. All of them are sick. They come to me. The rich and the promising industry's people, they never come to me because they know how to get the money and the banks know, how to pay the money. Only the sick units people come to me. This is a very serious matter. That is one side of the picture.

Now here is a case where hundreds of crores of public money has been given to a particular person or through some agency. This has sent shock waves. And even the whole confidence of the banking system is now shaken. The Narasimhan Committee's report has not been accepted. Now there is a feeling among the banking sector that the officers and the bank can do whatever they like.

So, I strongly urge the Finance Minister and the hon. Government to conduct a very serious enquiry into the matter and take criminal action against all those, who are responsible for irresponsibly granting large amounts and damaging the good name of the Government, which has taken bold initiatives in correcting the economy and giving a new thrust to the economic life of this country. Thank you.

**SHRI PAWAN KUMAR BANSAL** (Chandigarh): Mr. Speaker, Sir, this is an issue, concern over which pervades the entire House. I do also, like all other hon. Members, have a frustrating experience of

seeing applicants for small loans under various schemes running from pillar to post for some bank loan in vain.

Here is a case, where thousands of crores of rupees have been made available to one individual who has drained the banking system of his own ends.

I would not like to take the time of the hon. House. But, there is a situation which can veritably be termed as extra-ordinary. Sir, an extra-ordinary situation does call for an extra-ordinary measure. Going on leave of three executives or any action to that effect would not satisfy the people of this country, would not satisfy those salaried poor persons, who make all the investments, their life-time savings in the share market. They were acting on the cue of the Government. Sir, perhaps the Government was encouraging such investments; and now suddenly they find that they have been robbed of their life-time savings. I would really urge the Government strongly to take immediate action in this matter and assuage the feelings not only of the Members of this House, but of all the countrymen. Thank you.

**MR. SPEAKER:** Shri George Fernandes, you can speak after Shri Saifuddin Choudhury speaks.

**SHRI SAIFUDDIN CHOUDHURY** (Katwa): Mr. Speaker, Sir, I have to make only one point. The Reserve Bank of India is the overall incharge of the discipline in the banking system in the country. It is not that you have asked somebody from the State Bank of India to go on leave or that you have asked somebody not to do the work for the time being. The question is that we have to take action against the Governor of the Reserve Bank of India. That is very important. Against the persons whose have come and against whom there is *prima facie* evidence available, there have to be criminal cases; and against the other people who are involved

in the higher ranks in the Government, inquiry can be done. So, two things are necessary. Criminal cases should be lodged against those persons whose names have come so far. This is number one. The second point is that inquiry should be held to reveal who are the other big people who are involved in this. These are the two things. I want a categorical reply from the Finance Minister as to whether they are now taking action against the Governor of the Reserve Bank of India. That is very important.

[*Translation*]

SHRI HARI KISHORE SINGH (Sheohar): Mr. Speaker, Sir, please allow me to speak first. (*Interruptions*)

[*English*]

MR. SPEAKER: Nobody is allowing Shri George Fernandes to speak today.

[*Translation*]

SHRI HARI KISHORE SINGH: Mr. Speaker, Sir, I would like to make two submissions. This matter relates not to the ill intentions of the hon. Minister of Finance, rather it relates to his wrong leadership; this Government has been led in a wrong direction. Therefore, I would like the present Government to resign and the hon. Minister of Finance to give a reply in this regard....(*Interruptions*)

SHRI SHARAD YADAV: Mr. Speaker, Sir, the Government is directly to blame for it; all this happened during the reign of the present Government only. (*Interruptions*)

SHRI HARI KISHORE SINGH: It was not the intention of the Government to nationalise the Banks in 1969 that the persons like Harshad Mehta may come and take over the entire banking system in their hands and make a mockery of the entire Banking system.

Today, the Government should give a clarification as to why this happened and who is to blame for it? We have no objection if this matter is investigated by the CBI. But what those helpless officers would investigate? They are capable and honest; however no sooner they lay their hands on the facts, they are transferred either on promotion or otherwise; as it happened in Bofors issue. Therefore, it is necessary to get the matter investigated by a Joint Parliamentary Committee. Besides, I would also like to submit that capable judges are not very rare in the country, the matter should be got investigated by a judge of Supreme Court. Earlier too, Mundhra scandal involving a bungling of about rupees one and a half crores had taken place due to which the then Minister of Finance had to resign....(*Interruptions*) Today, the bank receipts of National Housing Banks are not being encashed. In view of these circumstances how can the people be assured that banking system is functioning well and that the economic position of the country is round. If the economic policy adopted by the Government under the leadership of Shri P.V. Narasimha Rao is continued in the country, it is bound to result in emergence of persons like Harshad Mehta.

SHRI RABI RAY (Kendrapada): Mr. Speaker, Sir, before Shri George Fernandes starts his speech I would like to make a submission. Shri Advani and Shri Atal Bihari Vajpayee have also arrived. Congress party has been supporting the idea to get the matter investigated by the CBI. Now, I would like to raise a matter which you would also support. The people who believe in democratic set up, have been demanding for several years that....(*Interruptions*) As per your submission there is a Public Accounts Committee of Parliament. Mr. Speaker, Sir, I would like to submit to you and the Members of the House that so far, it may be a nationalised bank working in public sector and the Public Undertakings Committee is



here to scrutinise the entire public sector enterprises, I do not think that the bank would function properly after such a big scandal. Prior to this scandal there had been a scandal in Vijaya Bank too. Such scandals affect the working of the entire banking system. Therefore, my submission to you and the Members of the House is that the Parliamentary Public Undertakings Committee should be asked to scrutinize the working of the banking industry particularly the nationalised banking industry. This is my only demand.

**SHRI GEORGE FERNANDES** (Muzaffarpur): Mr. Speaker, Sir, I am glad that the hon. Minister of Finance has come here perhaps keeping in view that the issue may be raised in the House. I am also glad that the hon. Minister of Parliamentary Affairs has not made a complaint in this regard today. Perhaps it is the fifth time that I have stood up to speak on this issue within the last fifteen days. Perhaps, after some days, you may start the practice of interrupting me as you have been doing in case of Bofors issue for the last several days.

Mr. Speaker, Sir, the very first day, when the hon. Minister of Finance was present here, the matter that was discussed related not only to that 'big bull' but also to the bureaucracy; and the Government agreed to issue orders to the persons involved in the share scam and also to the Government officers and bank employees involved in this scandal to provide the details of the money they invested in shares and the money they earned during the last six months. Hon. Minister of Finance as well as Mr. Speaker must be remembering that when I suggested the Government to direct all the members of the Council of Ministers also to furnish the similar details, there was an uproar in the House and most of the Members of the ruling party disliked my suggestion.

Shri Vishwanath Pratap Singh referred

to the raid conducted recently in regard to the income tax and Shri Indrajitji wanted to know as to who was the person referred to again and again.

So far as I remember, the raid was conducted on 28th while the Budget was presented on 29th, and it was none other than this big bull who turned out to be the most important person to support the Government while commenting on the Budget; he was the person who was given maximum time to speak.....(Interruptions) Yes he was the very first person to speak on the television.

Hence relations are not insignificant and not confined to radio, television and newspapers only. I would like to know from the hon. Minister whether it is not true that the documents seized in the raids conducted by the income tax department include the files pertaining to portfolios of some very important Ministers of the Cabinet.....(Interruptions) I will tell the names afterwards and not just now. In this regard slow and steady process and not at one stroke procedure will do.

We are raising the matter here today so that.....(Interruptions)

[English]

**SHRI ANBARASU ERA** (Madras Central): Sir, this should not be allowed to go on record. What is this, Sir? (Interruptions)

**THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV)**: As a Minister, I would like to know the names. Why don't you tell the names? You tell the names, otherwise, it will affect us. (Interruptions) This is very bad. (Interruptions)

Will you yield for a minute? You know the art of character assassination; you know the art of how to malign people; you go on

doing it. (*Interruptions*) Let me finish it. I, on behalf of the Council of Ministers, will request you either to give the names or withdraw it. If you find out any names, we will go to the Prime Minister and tell him that they should resign; they have got no right to stay on. (*Interruptions*)

[*Translation*]

SHRI GERORGE FERNANDES: We have not taken anyone's name. We have just asked for information. I fail to understand, why they are standing and shouting.

[*English*]

SHRI SONTOSH MOHAN DEV: If my name is there, I shall resign. (*Interruptions*)

[*Translation*]

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, there is a lot of business before the House. (*Interruptions*) By saying this you make us sit down. (*Interruptions*)

[*English*]

SHRI SONTOSH MOHAN DEV: If the names of my colleagues, who are sitting here, are there, they shall also resign; we shall all resign. But don't give names like that. (*Interruptions*)

THE MINISTER OF STATE OF THE  
MINISTRY OF SURFACE TRANSPORT  
(SHRI JAGDISH TYTLER): What kind of  
people are you? (*Interruptions*)

[*Translation*]

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, I have asked the Finance Minister a very simple question. The Finance Minister should reply to it. Is it a fact that you had conducted a raid on that person and seized some files and had also collected

some other information. Had you also recovered files pertaining of two such portfolios? We are keeping ourselves confined to this much only. But the matter does not end over there.

[*English*]

MR. SPEAKER: Let us avoid insinuation.....

[*Translation*]

SHRI GEORGE FERNANDES: I have asked only one question.

[*English*]

MR. SPEAKER: Not allegation, insinuation.

[*Translation*]

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, Government has not admitted anything in this House. Everything has been brought to the surface by making lot enquiries. These people have not accepted anything straight forwardly. That is why we shall not discuss that now. But if you really want to solve the matter, I would say that the method which you have adopted is not going to help anyway. As is being demanded by the newspapers, an enquiry should be ordered; an enquiry into the working of State Bank of India and big people. There are two aspects of this problem - firstly, we will lose our credibility in the world. We people think that Governments of other countries and large industries as well as other people, do not have any knowledge about us. Even on that day, I had read out one thing in the house that how such a thing was being discussed the world and foreign people are being warned against making any investment in the Indian share market, because they think it an overheated matter. So this is sure to burst out that is why you people should not go and inves.

there. This has been going on since long. That is why, what shall be the impact upon foreigners by your calling these thieves as thieves? We should not worry about that. Secondly I shall make the Finance Minister recall that how he had interrupted me not once but twice and maybe thrice, when I was commenting upon the working of banks at the time of last budget. I had drawn his attention towards the people occupying higher posts. I had raised this issue here. He had said that, "I must not comment upon the working of such institutions like this", But I am again telling you that you should take a step because the matter is very tedious and was going out of control. Just now Dherwani's resignation has come in, before I come to this. I shall name one such person, who has himself resigned from this company - Shri N.D. Prabhu. He has made a tremendous contribution in the setting up of and growth of Canara Bank. Your Government, I mean to say the Finance Ministry which is the permanent Government and of which the Finance Minister is only a part had said that he should not be on the Board of Directors of Mazda company. But he did not agree. He defied you order and joined the Board of Directors of that company. He started drawing a monthly salary of Rs. 7 lakh. He got a mercedes car from the big bull, for the purpose of coming from and going to the office every day. When the matter got exposed, he submitted his resignation and set at home.

Now you should see these relationships, I am, taking the name of that person not because I have any complaint against that man. It is good that he has gone. I said that he was a good banker, we praised him but he did what he should not have done. Mr. Speaker, Sir, I would like to tell the Finance Minister through you that those, whom he considers guilty and against whom he wants to conduct an enquiry have so many relations with each other that he will not be able to bring out any truth before the nation after the

enquiry. He must accept this.

Mr. Speaker, Sir, the similar is the case of Pherwani. It was wrong to appoint this man as chairman of National Housing Bank. Mr. Speaker, Sir, we people forget things very quickly. He was the man who as the managing director of U.T.I. had virtually given the entire finance company of Bank of Baroda in the hands of Larsen and Toubro and Reliance. This was done by this very person and you appointed this man who is a manipulator, as the Chairman of the National Housing Bank? What did you expected from him? Today I would like know from the Hon'ble Finance Minister as to How much money of the National Housing Bank was utilised. How will you take it back and from whom will you take it back? Foreign Bank have also had a hand in this. We have thrown the doors open for the Foreign Banks. They are playing with their securities. They are not submitting themselves to the R.B.I. inquiry. They have a direct links with those big bulls and with the help of these big bulls they manipulate the stock exchange of India and create a sort of mistrust for us in the world which is neither wanted by you nor by us. Are the people of the Ministry of Finance not responsible for the artificial boom in the share market? When I am talking about the people of the Ministry, then I hold the Government guilty for that. In the first week of February the Chairman of your Security Board 'SEBI' had suggested the Government of India that some steps should be taken to stop this artificial boom in the stock the market, but they were not taken seriously and that bull in and the interview to the Business and Political Observer said;

[English]

The question asked was, "Is the market up beat because it is expecting a good budget".

and the reply given is, "One thing is very

clear to all the leading players....

[English]

SHRI PAWAN KUMAR BANSAL (Chandigarh): Where is he quoting from?

SHRI GEORGE FERNANDES: I am quoting from *the Business and Political Observer*.

"One thing is very clear to all the leading players, that the market today is moving not on the basis of fundamentals, but on the basis of technicals, a kind of craze is spreading and it is not the strength of the stock that determines its price, but rather the chase for it which determines its price."

[Translation]

Your Government remained silent spectator because the people who were responsible for checking this game have themselves started playing the game. (Interruptions)

That is why Mr. Speaker, Sir, this issue of entrusting responsibility....

SHRIMATIKRISHNASAHI (Begusarai): Mr. Speaker, Sir, I am on a point of order, I would like to know as to whether the extracts from various newspapers can be quoted in the House? He has started quoting all the newspapers one by one. Is this a convention in the House? Can this be done in the House? I want your ruling on this. Can the newspaper reports be quoted here in the House?

MR. SPEAKER: I have heard you, now you may please sit down.

(Interruptions)

MR. SPEAKER: You are quite right.

(Interruptions)

SHRI A. CHARLES (Trivandrum): I would like to - ask one clarification from him in half a minute. He has very seriously mentioned about the allegation against Ministers.....(Interruptions)

MR. SPEAKER: Why are you emphasising it?

SHRI A. CHARLES: I am supporting him. There is a procedure which has been laid down (Interruptions)

MR. SPEAKER: You need not emphasise it.

SHRI A. CHARLES: If the hon. Member is honest and conscientious, let him come out with names according to the procedure. We are here to support him.....(Interruptions)

MR. SPEAKER: You do not unnecessarily get up and say the things which are not necessary.

What the lady hon. Member has said is legally correct. And those quotations need not be given by you.

[Translation]

SHRIMATI KRISHNA SAHI: Mr. Speaker, Sir, extracts should not be quoted.

SHRI GEORGE FERNANDES: Mr. Speaker, Sir, I am going to conclude, but I have to make certain concrete demands from the hon. Minister of Finance ....(Interruptions).....

The first is that the investigation, the Government is talking of making.....(Interruptions)

MR. SPEAKER: Now, please conclude it.

(Interruptions)

SHRI GEORGE FERNANDES: I stated that the Government should give up the so called internal investigation, it should be handed over to the police stations. Secondly, the Government is seeking the resignation of so many persons, but merely tendering resignation by them will not serve the purpose. If they are asked to tender their resignation..(Interruptions)..... Then please ask police also to hold investigations because when their resignation is being asked by the Government then. I think it is clear that the Government accepts this much that they have done something wrong and therefore, the police investigations should also be started. Thirdly, the Government should not bother as to how big are the persons or the number of persons involved in it. Even if a dozen of Bank Chairmen, Managing Directors are required to be removed from their posts and called at the police station the Government should not hesitate to do so.....(Interruptions)..... The leading Banks like the Bank of Karad the hon. Minister of Finance knows it very well that a middle class Bull of Bombay Stock Market has captured that Bank. Once upon a time that was a Bank of the farmers of Maharashtra, which has now been captured by Mr. Bhupen Dalal of the Bombay Stock Exchange. Don't you know that who and how many people are involved in the security scam through this Bank within the last one month. Is it possible that such a small Bank like Bank of Karad can deal in securities worth Rs. One hundred crore and.....(Interruptions)

[English]

MR. SPEAKER: Shri Fernandes, there are other Members who want to raise other issues. Please be brief. You have taken more time now.

[Translation]

SHRI GEORGE FERNANDES: I am

concluding, therefore, the Government should not be worried about the persons who will be found guilty. Fourthly, cases should be registered immediately against those who have tendered their resignation and they should not be regarded as innocent persons and they should not be allowed to move freely in the country. If somebody pick-pockets Rs. 25, he is handcuffed and paraded publicly by the police but if someone robs Rs. 100 crore or Rs. 500 crore or Rs. 1000 crore, he moves freely. They have come to Delhi from Bombay to use their connections in the Government and are staying in five star hotels. They should be treated very much like other criminals. Steps should be taken to deal with them strictly and the interest of the investors should be safeguarded. The conspiracy to befool the people by boosting the share-market with the help of financial institutions should be aborted. With these words, I conclude.

SHRI ATAL BIHARI VAJPAYEE (Lucknow): Mr. Speaker, Sir, I came here late, therefore, I shall not take much time. But the nature of the case is such that it has become an matter of concern for not only the entire House but also the whole country. If the hon. Minister of Finance is to answer, I would like to say that he should clarify the role of foreign Banks in the whole scam which has been mentioned by my colleague Shri Fernandes. I shall not refer to the name of persons involved in it. But I would certainly like to refer to those banks. I shall not discuss about small banks, but there are three big banks - City Bank, Grindlays Bank and Chartered Bank. They have earned huge amount of profit in a very short period. Generally, this amount should be Rs. 10 crore or Rs. 15 crore a year. But, according to my information, if I am wrong I am ready to correct my figures, these banks have earned a profit of Rs. 300 crore. How did they earn it? Can any Bank earn such a huge amount as profit in accordance with the rules or banking system? Can it amass such a

heavy amount? Does not the earning of such a heavy amount confirms that these foreign banks have also indulged in speculation and trading in securities? Is it in accordance with rules and regulations? Do we permit them to do so? The hon. Minister may please tell us the maximum amount of remittances permitted to be sent abroad by these banks. The foreign Banks can not be allowed to invest money here for speculation or to invest in securities and earn money and deposit that amount in foreign countries as foreign exchange. The role of foreign banks in the entire episode must be made clear.

Mr. Speaker, Sir, liberalisation does not mean this thing. I would like to raise this issue again and would urge that this should not be allowed. Liberalisation cannot mean that scams should be allowed in banking industries and this also can never imply that if there is suspicion about the actions of top officials of the Ministry of Finance or those of the Reserve Bank of India, the Government should not take any action against them. They should act honestly. These days, every system is being simplified. But it does not mean that it should be misutilised. That day too, it was mentioned that in America a man found guilty for scam was fined Rs. 1500 crore apart from being imprisoned. You must have heard the name of Vosaki. Milken who cheated the Banking industry has made headlines, but U.S.A. is showing no leniency towards him.

Mr. Finance Minister Sir, your policies and your image should not be tarnished because you are a gentle and good person. But you have been caught in such a trap and it should not happen like the proverb "Hum to Dubenge Sanam, Tujhko Bhee Le Dubenge".

The Reserve Bank of India has defaulted for the first time. Defaulting of the Housing Bank and failing to deposit Rs. 30 crore are not ordinary incidents. The Government is

getting the matter investigated. I do not intend to cast any aspersions on the investigators, but there is a doubt whether the investigation will be satisfactory and again I do not know the time that it will take to complete it. What is the condition of the share market today? There is sensation in the market. The scam will amount to Rs. 3000 or 4000 crore. Such figures are appearing in newspapers. We can guess as to what will be the condition of small investor.

The number of shareholders in the country is estimated to be about 2.5 crore. They will have to be protected. The Government has to prove its credentia by implementing its policies. If necessary, criminal cases should be registered. It should be handed over to the C.B.I. If the Government does not have suitable persons for the investigation, then we, are ready to provide such honest persons. (*Interruptions*)

SHRI VISHWANATH PRATAP SINGH: Be careful while doing so, otherwise you may lose your portfolio, I am telling you through my own experience.....(*Interruptions*)

SHRI ATAL BIHARI VAJPAYEE: If you cease to be a Minister, Join us, we will be benefited. This matter is going out of hand. The hon. Minister of Finance has taken certain action. Our opinion is that is not sufficient. I am not in a position to assess the magnitude of since I have no experience of the stock market. Can the hon. Minister of Finance consider closing of the stock market for one day? Today no transaction should have been made. The persons whom you are accusing and want to prosecute may pump huge sums into the market to make it instead of and you will have to bear their consequences. Small investors will be ruined. They need to be protected. Please, consider these suggestions. The sentiments of the House have become clear to you.



[English]

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Speaker, Sir, I have listened with great interest and respect what has been stated by Members on all sides of this House. Let me say at the outset that I share the concern of this House that the banking system is in need for a major reform. In fact, soon after I became Finance Minister it is this which forced me to set up a committee to look into the functioning of the banking system. I was also aware of the fact that there is need to tighten up systems and procedures. Therefore I asked the Reserve Bank of India's Governor immediately to appoint a committee to look into specifically the scope for frauds, preventive action that needs to be taken. When stock market prices started rising, at that time I mentioned to this august House on 30th April that the Ministry of Finance was not inattentive or inactive. A reference has been made to the Income-tax investigations. These investigations are in progress. I would not like to say or conclude from those investigations and I was sorry that Shri George Fernandes brought up this matter in a manner which was not worthy of the traditions of this House. The facts that I know, that have been brought to my notice do not support the type of allegation that he has been levelling on the floor of this House. I can assure him and I can assure all Members of this House that whether it is the income-tax enquiry or the enquiry into the conduct of the banking officials, we will pursue it with firmness, fairness and impartiality. You have my assurance in this regard. I am not in the business of covering up anything in this matter.

Banking rests on trust and if this trust is shaken, I think it is not good for the future of our country and, therefore, I will make every effort to satisfy the ordinary citizens of this country that if there is anything wrong with our banking system, that our Government

has made a serious effort and honest effort to redress, I think, these lapses which are responsible for these recent developments.

I had mentioned to this House on the 30th of April that on the basis of *prima facie* evidence that I had got then through the Reserve Bank that there has been a system's failure, that there has also been possibly a collusion between bank officials and certain people outside the banking system, I had asked the Reserve Bank to appoint a Committee under the Deputy Governor of the Reserve Bank. That Committee is working. Now, we have also decided to associate retired senior officials of the CBI with that Inquiry and officials of the Income-Tax Department are also being associated with that inquiry and I would respectfully submit to this House that this is not an occasion to cast aspersions on the Reserve Bank. The Reserve Bank is the highest monetary authority of our country and I would like to say that I for one have full confidence in the Governor of the Reserve Bank. He has been helping me in discharging my functions at a very difficult time in our country's history and we do not serve the interests of this country by levelling wild charges against the Governor of the Reserve Bank. Therefore, I feel deeply sorry that baseless charges or insinuations are made. (Interruptions). Therefore, the Reserve Bank inquiry is in progress. I will satisfy this House that this is a fair inquiry and when the inquiry report comes before this House, you can then come, but don't treat us.....

SHRI SOMNATH CHATTERJEE (Bolpur): But why are you giving a certificate to them now? Why are you exonerating the officers now? (Interruptions). Then wait for the inquiry. (Interruptions).

SHRI MANMOHAN SINGH: The second thing I want to say is that we have had some preliminary investigations. The Reserve Bank Governor had reported to me that in

the State Bank, in the National Housing Bank, in the United Commercial Bank, there is a *prima facie* evidence that there is need for stern action. So, the Chairman of the National Housing Bank has been asked to resign. Also the Chairman of the United Commercial Bank.... (*Interruptions*)

SHRI VISHWANATH PRATAP SINGH (Fatehpur): I request the Finance Minister that this policy of 'loot and leave' — you loot and then resign and leave — should be stopped.

(*Interruptions*)

SHRI MANMOHAN SINGH: The second thing is, the Chairman of the United Commercial Bank has been asked to proceed on leave. Similarly, the Deputy Managing Director of the State Bank of India in charge of investment operations has been asked to proceed on leave. Certain other officials directly in charge of these operations have been asked to submit.... Furthermore, I have referred all the three Banks' affairs to the CBI for inquiry. So, the CBI is going to look into the case of all the three Banks.

There was a demand from Shri George Fernandes and several other Members that CBI should be asked to look into these matters. I have done that. The House can be rest assured that whatever is necessary to get the truth of this matter, we will pursue.

SHRI INDRAJIT GUPTA (Midnapore): I am glad you are assuring the House more than once that this proposed inquiry will be fair. But as far as the collusion aspect of it goes, about which the hon. Minister has admitted that there is *prima facie* evidence of some collusion, if the charge of collusion has to be established or if it is to be dismissed, some clues are required. 'Collusion' means that some clues are to be found out. Then those persons against whom there is *prima facie* evidence during the period of inquiry if,

they remain in a position where they can hamper the inquiry by tampering with the evidence and clues, it is not the normal practice. So, if you want the inquiry to be really productive, to lead to something, at least those people — I do not know how many, there may be one or two or five or six, against whom there is *prima facie* evidence of collusion, they should be arrested while the inquiry goes on. They should not be allowed to be in a position where they can tamper with the evidence. Otherwise, what kind of an inquiry will that be?

SHRI MANMOHAN SINGH: Sir I have mentioned to this hon. House that certain people have proceeded on leave and certain people have been suspended. The matter is now before the CBI. Let the CBI pursue this case. Whatever follow up action is necessary, it will be taken.

SHRI SOMNATH CHATTERJEE: Has the CBI taken charge of the documents already?

SHRI MANMOHAN SINGH: Sir, I think I cannot prosecute on the basis of what is stated in this House. I have been assured that all the documents are safe. (*Interruptions*)

SHRI JASWANT SINGH: I appreciate the point that the Finance Minister is making. My submission which was made even earlier is sharing the concern that he has voiced. Here, for example, is a situation in which the Managing Director of the National Housing Bank is now confirmedly involved in a scam of Rs. 560 crores. The SBI is confirmedly involved in a scam of Rs. 630 odd crores and all that the hon. Finance Minister is now saying is that we have asked the concerned officials to go on leave. My appeal to the Finance Minister is that by suggesting that going on leave by itself is a sufficient credible action is not convincing.

SHRI MANMOHAN SINGH: I have not said that it is a sufficient action. The inquiry is on and the CBI will pursue its own course. I have not said that it is the sufficient thing. (*Interruptions*)

SHRIGUMANMALLODHA (Pali): Why can you not use the National Security Act for such persons?

SHRIRUPCHANDPAL (Hooghly): How can the Government exonerate itself? (*Interruptions*)

SHRI CHANDRA JEET YADAV: Is it over?

MR. SPEAKER: I think, it is over.

SHRI CHANDRA JEET YADAV: He should tell us as to how much money has been recovered.

SHRI MANMOHAN SINGH: I had already said in this House on the 30th April that the SBI has got back all the money that was given. As regards the source of money, and as to where from it had come, all these matters are under investigation. As far as the National Housing Bank is concerned, I think, there have been problems there. The National Housing Bank, I think, has been probably involved in this and that is why we have asked the Chairman of the National Housing Bank to go on leave, but from the evidence, you cannot conclude that this money has been lost. There have been irregularities, there have been violations of established norms and procedures and there have been violations of established Reserve Bank guidelines. I do not think that today we ought to conclude that the money has been lost. I have mentioned in this House before that the foremost concern of the banking system when such things happen, is to recover the money. I think that work is in progress. Therefore, I cannot say today that so much money has been lost. I feel hopeful

that most of the money will be recovered. (*Interruptions*)

MR. SPEAKER: Shri Rabi Rayji will speak now on a different issue.

SHRI ANBARASU ERA (Madras Central): Sir, I want only one minute. I have an important suggestion.

MR. SPEAKER: There are other issues to be raised. This is very irregular. If I give you a chance, then I shall have to give others also.

SHRI ANBARASU ERA: Sir, for the past one hour I am asking for a chance to speak.

MR. SPEAKER: You should not shout so much; you should understand.

(*Interruption*)

[*Translation*]

SHRI RABI RAY (Kendrapada): Mr. Speaker, Sir, I am very thankful to you for allowing me to speak on a very important humanitarian issue. Sir, just two-three days back a heart rending and grievous incident took place in a prominent city of Orissa. The newspaper reports say that 250 poor people have died by consuming spurious liquor. Sir, I would request the hon. Members of the House that they must think over this heart-rending incident rising above party lines. It is reported that the methyl alcohol has claimed a toll of 150 lives and the saddest aspect of this incident is that all the deceased are poor and belong to minorities and backward classes. They earned their bread by doing labour. I make this submission with much anguish. In regard to prohibition no our constitution provides as follows:

[*English*]

"47 The State shall regard the raising of