

seems that this firm without any credibility was given licences at one time to the tune of Rs. 65.0 lakhs. Even though the firm had said that in 1972 records were lost, in 1973 again some release orders were issued to this firm and I cannot say who are involved in it. (Interruptions). I do not think that the Minister could be absolved in that way. I agree. But it all depends on the enquiry to be made by the Central Bureau of Investigation. We have to await the findings of the Central Bureau of Investigation. But in the mean time on 5th April 1977 we lodged our F. I. R. with the CBI and, Sir, I can assure the House that we shall go ahead with this enquiry and we shall see that stringent measures are taken against those found guilty.

DR. MURLI MOHOHAR JOSHI: May I know from the hon. Minister whether the Government has received allegations against the former Union Minister, Shri Chandrajit Yadav from a number of Members of this House? Whether the letter written in this connection is missing from the file? Whether the papers relating to this subject and the file have been removed from the records deliberately?

SHRI MOHAN DHARIA: It is true that the allegations were there against Mr. Chandrajit Yadav.

SHRI K. P. UNNIKRISHNAN: I would not like the hon. Minister to mention the names of the Members who are no longer here. I have a great respect for them. Please also note that Mrs. Kripalani also sent a recommendation on this subject. Therefore, don't single out... (Interruptions).

MR. SPEAKER: Mr. Yadav was a Member of this House. He was one of the Ministers in the previous Government. If you do not ask about this today, then tomorrow this will be asked.

SHRI K. LAKKAPPA: Shri Yadav was a Minister then.

SHRI K. P. UNNIKRISHNAN: He was not a Minister at that time. He was a Member of Parliament.

SHRI MOHAN DHARIA: I do not know why the hon. Members get agitated or annoyed. I have not stated anybody's name. But when a specific question was put to me, naturally, I am here to state from the files and I said "It is true that there may be allegations against Mr. Yadav". Had I been put a question about Mrs. Kripalani, I would have answered that also. I do not know why they are unnecessarily agitated. (Interruptions). The question is that this whole matter has been left to the C.B.I. now. Let them investigate into this matter, I shall come before the House with full facts whenever the enquiry is completed. Before that it will not be fair on my part to say anything on that.

Working of Vijaya Bank Ltd.

*191. **SHRI VAYALAR RAVI:** Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether Government are aware of the reports appearing in the "Blitz" dated 28th May, 1977 regarding the working of the Vijaya Bank Ltd.; and

(b) if so, the reaction of Government thereto?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) Yes, Sir.

(b) Government have noted the allegations made in the article.

SHRI VAYALAR RAVI: It is surprising to know that the hon. Minister has given a simple reply to this question. It is a very serious allegation against the Chairman of the Vijaya Bank Ltd. During our own period of administration, Mr. Madhu Limaye himself raised the same kind of allegations against the Chairman of the Bank. This matter is a very

serious one and it is a test case. It is a case of corruption. The question is that there is a serious allegation against the Vijaya Bank Ltd. in regard to the misappropriation of a huge amount. The Chairman of the Bank himself is taking the commission. His own patrons and relatives are also given the commission and other benefits. There are a lot of allegations and violations of rules and regulations of the Bank. There was also prosecution against the person concerned. I have got all the papers and if necessary I am prepared to bring them before the House. The report says like this:

"The Chairman's foreign bank account numbers are: First National City Bank, New York: A/c No. 81390; Swiss Credit Bank, Lugano, A/c No. 98710. His son Ashok Kumar Shetty's Swiss Credit Bank Account No. at Turin is 8069851."

Will the hon. Minister kindly tell us how much money has been credited into these foreign Bank accounts? I would like to know whether he would look into these matters. They were protected by the highest people in the previous government. Are you going to protect them in the same way or are you going to take action against them; they are exploiting the employees and they are committing a fraud on the bank.

SHRI H. M. PATEL: The first question was whether government were aware of the reports appearing in 'Blitz' dated 28 May regarding the working of the Vijaya Bank Ltd. I said: yes. The Vijaya Bank chairman himself has sent a rejoinder to this article in 'Blitz' in which he has answered and he has stated his point of view and he says that the allegations are not correct. There is no question of this government wanting to protect anybody; if there are specific charges against any one, they will be looked into. It is all that I can say.

SHRI VAYALAR RAVI: I seek your protection. If you permit to quote from the Reserve Bank inspection report, it says: "The Chairman

cannot be considered a fit and proper person to hold that office."

MR. SPEAKER: Is that the Reserve Bank report?

SHRI VAYALAR RAVI: Yes. I want to know from the hon. Minister whether the Reserve Bank has made any enquiry into the functioning of Vijaya Bank and made a report about it and if so will he place a copy of the report on the Table of the House? Hon. Minister said that there was a rejoinder; it has not appeared in 'Blitz'. How did he get? This is the political pressure being put on him. I want a categorical answer. What action was taken against the corrupt chairman? It has come in the Reserve Bank report. He is exploiting the employees and he is committing a fraud on the bank. Will you ask him to lay the report on the Table of the House? . . . (Interruptions)

SHRI S. NANJESHA GOWDA: May I give him an answer?

MR. SPEAKER: There is a possibility of the Cabinet expansion and if you come here you can answer, not now.

SHRI H. M. PATEL: If you would not listen, then I cannot help it. So many of you were speaking that I am not quite sure if I have got all your points right. I think you enquired whether the Reserve Bank had investigated into this matter. The Reserve Bank had carried out a normal inspection of this bank and there was a report. That inspection report was not favourable to the bank in certain respects. Well, certainly there were certain points which were not favourable to the Chairman. So, the Reserve Bank is fully ceased of the matter and now that these other points have been made, the Reserve Bank will go into this question again. That is all what I can say.

SHRI S. NANJESHA GOWDA: Mr. Speaker. Sir, I want to ask the

Hon. Minister regarding the report made in the 'Blitz' paper. If there is any false allegation or slanderous allegation, is he going to take any action against the press concerned and if there is any black mailing attempted.

SHRI H. M. PATEL: It is for the Chairman of Vijaya Bank. If he considers the report that appeared in the 'Blitz' paper to be incorrect or slanderous, he will take proper action in the court of law.

श्रीमती अहिल्या पी० रांगनेकर :

क्या मंत्री जी यह जानते हैं कि इन्कम टैक्स कमिश्नर ने चेयरमैन के खिलाफ इन्कम टैक्स का सीरियस वायलेशन करने के लिए क्रिमिनल प्रोसीडिंग्स चालू की हैं और चेयरमैन अभियुक्त नम्बर 2 हैं ? इस के बाद भी सेंट्रल गवर्नमेंट ने और रिजर्व बैंक ने उन को एक साल का ऐक्सटेंशन दिया है । यह ऐक्सटेंशन कब दिया है, यह मैं जानना चाहती हूँ और क्रिमिनल प्रोसीडिंग्स जो चेयरमैन के खिलाफ चालू है यह बात क्या मंत्री जी को मालूम है ?

SHRI H. M. PATEL: Mr. Speaker, Sir, the Income Tax Department has launched the prosecution under Sections 277 and 278 of the Income Tax Act, 1961 read with Section 200 Criminal Procedure Code against the Vijaya Bank Limited, its Chairman and Managing Director, Chief Accountant and some other Officers of the bank for deliberate omission of various interest payments in the returns made by the bank under section 285 of the Income Tax Act, 1961 for the financial years 1971-72 and 1974-75. The complaints have been filed on 9th February, 1977 before the Judicial Magistrate's Court, Mangalore. Now, I may tell you, Sir, that the offence is of this nature. The banks are supposed to report all cases where interest in excess of Rs. 400/- have been paid to any client, customer or depositor. This bank has failed to do so in the case of a number of customers. It

is not as if they did not pay interest. But they failed to comply with this requirement. In the main, this particular offence for which they are charged, might well be described as a technical offence. (*Interruptions*). I am giving you the full information. I am entitled to clarify so that you may not go under a wrong impression that the offence is of a heinous nature. In so far as the second question as to whether it is a fact that he has been given a year's extension, yes, it is correct that he has been given a year's extension.

श्रीमती अहिल्या पी० रांगनेकर : कब ऐक्सटेंशन दिया ?

SHRI H. M. PATEL: I do not know the exact date. He was given a year's extension very recently.

MR. SPEAKER: Shri Sathe.

AN HON. MEMBER: When was the extension given?

SHRI H. M. PATEL: He has been given extension very recently during this government. An year's extension was given by the Reserve Bank; it is not an extension given by the government. (*Interruptions*).

MR. SPEAKER: Order, order. Three of you are shouting and they are all sitting quietly. That means the minister cannot answer any question unless it is satisfactory to you three people! Next question.

SHRI KALYAN JAIN: Question 192.

SHRI VASANT SATHE: You had called me, Sir.

MR. SPEAKER: I know. But so many of you start shouting. I cannot help it. I have called the next question.