

MR. DEPUTY-SPEAKER : Subject to correction, the result of the division is : \*

Ayes : 58 ; Noes : 267

*The motion was negatived.*

*(Interruptions)*

MR. DEPUTY-SPEAKER : Now, let us take up Question No. 655—Shri Nanje Gowda.

(c) whether Government have accepted the suggestion ; and

(d) if so, the further action proposed to be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d) A Statement is given below.

#### Statement

\*The following Members also recorded their votes :—

AYES : Dr. A. Kalanidhi, Shri E. Ayyapu Reddy, Shri D. Narayanan Swamy, Shri B.B. Ramaiah, Shri D.B. Patil, Shri Mohd. Mahfooz Ali Khan, Shri Manik Reddy, Shri Sode Ramaiah, Shri C. Sambu, Shri Gokul Saikia, Shri H.A. Dora and Shri Samar Brahma Choudhury ;

NOES : Shri A.S. Gounder, Shri Radhakanta Digal, Shri Jagannath Rao, Shri Prabhu Lal Rawat, Dr. C.P. Thakur, Shri C.K. Kuppuswamy, Shri Tilakdhari Singh, Gopeshwar, Shri Srikanta Datta Narasimharaja Wadiyar.

(a) and (b) The Central Vigilance Commission, while dealing with cases relating to frauds in banks and insurance companies, has observed that it would be worthwhile considering amendment in the law, including provision for confiscation of ill-gotten wealth and special courts, to enable such offences to be looked into and adequately punished.

(c) and (d) The suggestions of the Commissions are being examined in consultation with the Reserve Bank of India.

SHRI H.N. NANJE GOWDA : Sir, the need of the hour is to bring about a stringent law to punish those who commit frauds in the banks or in the LIC. Will the Minister please state when actually the Commission suggested to bring about this law, whether discussions have been complete, whether any draft is prepared and by what date it is going to be implemented ?

#### ORAL ANSWERS TO QUESTIONS

[English]

**Special Criminal Law for Bank and Insurance Offences**

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655. SHRI H.N. NANJE GOWDA :

SHRIMATI BASAVARAJESWARI : Will the Minister of FINANCE be pleased to state :

(a) whether the Central Vigilance Commission has suggested a special criminal law for bank and insurance offences :

(b) if so, the details thereof ;

SHRI JANARDHANA POOJARY : Sir, the Vigilance Commission has observed that there should be legislation and also provision for dealing with offences. In consultation with the Reserve Bank of India, the legislation is being prepared and also we are examining all the aspects and bringing the necessary legislation very shortly.

*(Interruptions)*

MR. DEPUTY-SPEAKER : May I request the Members to observe silence please ?

**SHRI H. N. NANJE GOWDA :** In the Annual Report of the Central Vigilance Commission, in the year 1985 there are many cases where they have stated that more payments were made to the contractors by the bank officers. In one case they have paid Rs 14.5 lakhs and in another case they have paid Rs. 7 lakhs. I do not want to quote all those things. Because of these things naturally they do not favour a contractor for nothing. I want a categorical reply from the Government as to whether they are going to bring legislation to confiscate this illgotten money, whether of the LIC or of the banks.

**SHRI JANARDHANA POOJARY :** Sir, the legislation is under consideration and I have already stated, it will be brought as early as possible.

(Interruptions)

**SHRIMATI BASAVARAJESWARI :** Sir, what are the total bank frauds so far unearthed, the number of officials found responsible and what action was taken against them, and whether there had been greater attacks, lootings, robberies on the banks all over India for the last 2-3 years? By what time the law to check the frauds and also formation of a National Bank Security Force on the lines of Central Industrial Security Force will be introduced and enacted to check the frauds and attacks?

**SHRI JANARDHANA POOJARY :** Sir, in the year 1986, 1822 frauds were detected and a sum of Rs. 44,42,00,000 have been involved.

Sir, we have taken action against these employees and in the year 1986 we got convictions and 22 people were convicted. And so far as the penalties are concerned, we have inflicted major and minor penalties in 449 cases, and in 243 cases, that means, 243 people were dismissed and they have been removed from the Departments)

So far as the security is concerned, if the hon. Member kindly looks at this question, it does not relate to the security aspect of the banking sector.

**SHRI V. SOBHANADREESWARA RAO :** Mr. Deputy-Speaker, Sir, this is a very important suggestion given by the Vigilance Commission. I would like to know from the hon. Minister whether it has come to the notice of his Ministry that some unscrupulous traders and the companies are causing fire accidents with the connivance of some insurance authorities and are successful in taking several lakhs and lakhs of rupees as compensation while the farmers could not get the compensation though their crops are really affected. It is because the defined area is not a revenue village. He does not get even a little bit of compensation for the crop loss. But these tobacco company people and some traders who are dealing with the cotton, including those companies which supply cotton in the purchasing centres of the Cotton Corporation of India, in Guntur district, during the last year and the year before last have succeeded in cheating the Government to the tune of crores of rupees.

I would like to know whether such instances have come to the notice of the Ministry and if so, whether any enquiry has been conducted and what action has been taken against the people who are found to be guilty. We request the Government to accelerate the process of enquiry on those cases for which the enquiry has not yet been started and to speed up the enquiry and take necessary action. Will the Government come forward with suitable amendments to take to task those guilty people who are cheating the Government?

**SHRI JANARDHANA POOJARY :** Whenever frauds are reported and whenever we find *prima facie* evidence, we have taken action in those if the hon. Member has got any instance of fraud, it could be brought to our notice and action will be taken.

**SHRI V. SOBHANADREESWARA RAO :** You must come to my rescue. I put the question whether specific instances have come to his notice from Guntur district. He has given a general reply. I have specifically asked about the Guntur district.

**MR. DEPUTY-SPEAKER :** He has told about that. He will take action.

[*Translation*]

**SHRI RAMSWAROOP RAM :** Mr. Deputy Speaker, Sir, keeping in view the increasing incidents of crimes in Banks I would like to know from the hon. Minister as to how many dacoitties have been committed in the banks during the last two years and how much loss has been suffered by the Government thereby ?

[*English*]

**SHRI JANARDHANA POOJARY :** The question relates to the recommendation of the Vigilance Commission and the legislation against any criminal offences. It is not regarding the security aspect and also dacoity.

[*Translation*]

**SHRI GIRDHARI LAL VYAS :** Mr. Deputy Speaker Sir, it has been observed that cases of thefts robberies, etc. occurred the banks due to lack of proper arrangement there. The cases of fraud are also increasing day by day. The reason is that the big Officers are hand in gloves with the capitalists. We must have observed that in foreign countries also where Indian banks have been opened, hundred of crores of rupees have been bungled by these persons. In such a situation will you make such arrangements that the bank officers who indulge in frauds are apprehended and action is taken against them ? According to the figures available so far, action against only 24 persons has been taken out of one thousand cases. It has also come to our knowledge that 8 kg. gold deposited in a bank in Bombay is missing and no action has been taken against any of the Bank Officers.

[*English*]

**MR. DEPUTY SPEAKER :** Do not make a statement. Put your question.

[*Translation*]

**SHRI GIRDHARI LAL VYAS :** Will such officers be punished ? When the nexus between the crime and also this offence is

there, definitely we have taken action earlier and we are going to take action in future also and legislation will be brought to cover all the people.

**MR. DEPUTY SPEAKER :** Shri Basudeb Acharia. Next question .

**SHRI VIJAY N. PATIL :** Not Q. 656 but Q. 657 should be taken up because they did not want the Question Hour to continue. They wanted suspension of the Question Hour. It is aood on their part not to ask the question. You should abide by the decision of the House.

**MR. DEPUTY SPEAKER :** No. No. Order please.

**Views on Public Borrowings by Public Sector undertakings and Monetary Growth Targets**

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\*656. **SHRI BASUDEB ACHARIA :**  
**SHRI AMAL DATTA :**

Will the Minister of FINANCE be pleased to state :

(a) whether the views of Government are at variance with the views of the Reserve Bank of India and the Economic Advisory Council in respect of (i) public borrowings by the public sector undertakings, (ii) preferential treatment to the private sector and (iii) targets of monetary growth, as reported in the Financial Express dated 31 December, 1986; and

(b) if so, the areas of difference and the reasons therefor ?

**THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHMA DATT :** (a) and (b) The Reserve Bank and the Government work in close consultation on matters of common concern and the views of the Government are not at variance with those of the Reserve Bank of India in the matters referred to in the question. The Economic Advisory Council has not submitted any report to the Government on these issues.