

तक के विवरणों में, बहुत सी ब्याज-अदाय-
गियों का उल्लेख न करने के कारण,
आयकर अधिनियम, 1961 की धारा
277 और 278 के अन्तर्गत मुकदमा
दायर किया है। यह सूचना मिली है
कि यह मामला ज्यूडिशियल मजिस्ट्रेट,
मंगलौर की अदालत में विचाराधीन है।
सरकार को विजया बैंक के अध्यक्ष के
खिलाफ दायर किये गये किसी और मामले
की जानकारी नहीं है।

Alleged Irregularities in Commercial and Development Banks

1734. SHRI RAM JETHMALANI:
Will the Minister of FINANCE AND
REVENUE AND BANKING be pleased
to state:

(a) whether the attention of Gov-
ernment has been drawn to a Leade-
rette appearing in the 'Economic and
Political Weekly' of April 30, 1977 on
page 705;

(b) the facts of the case mentioned
therein;

(c) the action proposed to be taken
against those responsible for commit-
ting such irregularities, and

(d) whether any inquiry is propos-
ed to be conducted into the affairs of
commercial and development banks
so that proper norms and channels
of authority can be established?

THE MINISTER OF FINANCE AND
REVENUE AND BANKING (SHRI
H. M. PATEL): (a) to (d). Govern-
ment have seen the Leaderette which
appeared in the Economic and Politi-
cal Weekly dated the 30th April, 1977
under the caption 'Financial Insti-
tutions—Restoring Order'.

2. It is presumed that the informa-
tion sought for by the Hon'ble Member
relates to certain alleged irregularities

in the grant of loans and other faci-
lities to five industrial concerns, a po-
litical party and certain parties in re-
settlement colonies of Delhi, by public
sector banks and all-India public
financial institutions.

3. Of the five industrial concerns re-
ferred to above, the Maruti Group
of concerns and the U.P. Road Trans-
port Corporation have alone been
specifically mentioned, while the
names of the three other industrial
concerns, a political party and parties
in resettlement colonies of Delhi have
not been indicated. The three un-
named industrial concerns appear to
be:

(i) Jaipur Udyog Ltd., Sawai-
madhopur.

(ii) Kamani Engineering Corpora-
tion Ltd., Bombay.

(iii) William Jacks & Co. (India)
Ltd., Bombay.

4. The following is the position in
respect of each of the parties mention-
ed above:—

(i) Jaipur Udyog Ltd., and (ii)
Kamani Engineering Corporation
Ltd.

The financial institutions and banks
formed a consortium to rehabilitate
the two companies which had gone
sick. In terms of the rehabilitation
programmes, certain facilities were
extended to these companies.

(i) JAIPUR UDYOG LTD.

Jaipur Udyog Ltd. is a major
cement manufacturing company in
North India. As part of the rehabili-
tation programme of the company
drawn up, besides financial assistance
given by the institutions and banks,
Central Government issued a notifica-
tion deferring collection of excise duty
for a period of one year in order
to give relief to the company, after
obtaining adequate security of assets
in favour of Government. The
deferred duty was to be recovered in

5 equal annual instalments, the first instalment being payable on the expiry of 24 months from the date of publication of the notification. Interest at the rate of 6 per cent will be paid by the company to Government on the deferred amount of excise duty.

(ii) *Kamani Engineering Corporation Ltd.*

The company is reported to have already turned the corner and started showing profits. A proposal was made by certain members of the Kamani Family to transfer their shares in the company to Texmaco Ltd. belonging to the Industrial House of Birlas. The matter is now pending before the High Court of Bombay and is *sub judice*.

5. The managements of Jaipur Udyog Ltd. and Kamani Engineering Corporation Ltd., were also restructured at the instance of the financial institutions and banks, in order to ensure control by them over the affairs of the respective companies. The banks and institutions are alive to the need for constant monitoring of the accounts of the units and are taking adequate steps to ensure that the funds advanced are used properly and for the purpose for which they have been given.

6. (i) *Maruti Group of concerns.*

(ii) U.P. Road Transport Corporation.

(iii) William Jacks & Co. (India) Ltd.

(iv) A political party (not named in the Leaderette).

(v) Certain un-named parties in the 23 resettlement colonies of Delhi.

No all-India public financial institution has given any loan or advance to these parties. Regarding the facilities given by the public sector banks, in accordance with the practice and usages customary among the bankers and in conformity with the provisions of the Banking Companies (Acquisition

and Transfer of Undertakings) Act, 1970, the State Bank of India Act, 1955 and the State Bank of India (Subsidiary Banks) Act, 1959, information relating to individual constituents are not to be divulged.

As regards Maruti Groups of concerns a Commission of Inquiry under the Commissions of Inquiry Act, 1952 has been set up to enquire into the affairs of Maruti Group of companies. the terms of reference of which, *inter-alia*, include all matters relating to securing of accommodation, loans or other assistance from the nationalised banks and other financial institutions by the Maruti concerns, including the eligibility of these concerns to obtain the financial assistance sought for etc.

7. In view of the position indicated above, Government do not propose to institute an enquiry, other than the one already set up in regard to Maruti Group of concerns, to enquire into the affairs of commercial and development banks.

Proceedings by Income Tax Department and Enforcement Directorate against the management of Vijaya Bank Ltd.

1735. SHRI VAYALAR RAVI: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether the management of the Vajaya Bank Limited, particularly its Chairman, has been proceeded against by the Income Tax Department and the Enforcement Directorate; and

(b) if so, the facts thereof, and the actions taken against them?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b). Income-tax Department has launched prosecution under sections 277 and 278 of the Income-tax Act, 1961 read with section 200 Cr. P.C. against Vijaya Bank Ltd., its Chairman and Managing Director, Chief Accountant and some other