

Title: Need to take suitable action against those involved in the reported malpractices in the City Union Bank, Kumbakonam, Tamil Nadu.

SHRI P. MOHAN (MADURAI): Sir, it is learnt that many malpractices are adopted in the City Union Bank, a private sector bank, with headquarters at Kumbakonam, Tamil Nadu. Out of its advances of Rs.650 crore, Rs.115 crore are declared as unrecoverable debts. It seems that some of the top management persons of the bank are involved in the unrecoverable loans of Rs.115 crore.

It is also reported that nearly Rs.15 crore have been written off arbitrarily. It is a mystery why, whom and how the unrecoverable loans were sanctioned, whether sufficient assets were pledged and sureties were obtained and why such huge amounts were waived.

After receiving many complaints, the Reserve Bank of India had deputed one of the officers of the RBI, Shrimati Sushila to inspect the City Union Bank accounts and submit a report. Accordingly, the officer concerned submitted a report, which was duly forwarded by Shrimati Uma Maheshwari, Assistant General Manager, Chennai for necessary action. But it seems that no action has been taken in this matter.

I have also come to know that the family members of one of the Ministers of Tamil Nadu Government are personally involved in these deals. I request the Government to order for a CBI inquiry into the whole episode and take suitable action against those found guilty.

I also request the Government to enact suitable legislation to safeguard the savings of people who put their money in the private sector banks. It is also told that election to the Board of Directors of this Bank is being postponed continuously. The Government should not allow such postponements and order for early elections to the Board of Directors of this Bank.

SHRIMATI RENUKA CHOWDHURY (KHAMMAM): Sir, may I please call the attention of the Government ...*(Interruptions)*

MR. SPEAKER: I will allow you after the reply is over. Please resume your seat.

...*(Interruptions)*

SHRIMATI RENUKA CHOWDHURY : You are the custodian of our rights. We are two lady Members who want to bring a matter to the personal attention of Shri Ram Jethmalani.

MR. SPEAKER: Please take your seat.

...*(Interruptions)*

SHRIMATI MARGARET ALVA (CANARA): Shri Jethmalani, you should have some consideration for women. ...*(Interruptions)*

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI RAM JETHMALANI): One lady Member has very graciously yielded. So, why do you not yield too? ...*(Interruptions)*

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