

(a) whether country-wise raids were conducted by the C.B.I., Income-Tax Department and Directorate of Revenue Intelligence during 1989 and 1990 at the premises of different establishments, organisations and important persons including those of Government officials who are alleged to have evaded Income tax, Excise duty and other taxes;

(b) if so, the State-wise and month-wise details thereof alongwith the details of the premises etc. raided till-date;

(c) the unaccounted assets and incriminating documents etc. seized;

(d) the number of cases in which the concerned parties/persons were prosecuted under the relevant law;

(e) whether any parties/persons were exonerated from further proceeding by the Income-tax Department; and

(f) if so, the details thereof and the reasons therefor?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) to (f). Information is being collected and will be laid on the Table of the House.

Performance of Nationalised Banks

350. PROF. VIJAY KUMAR MALHOTRA:
SHRI RAM SAGAR (Saidpur):

Will the Minister of FINANCE be pleased to state:

(a) whether Government have made any review of the working of the nationalised banks for evaluation of the role these banks have played towards national development;

(b) if so, the results of the review;

(c) the steps taken/proposed to be taken for meaningful revamping and toning up of the banks; and

(d) whether there is any proposal to establish the Banking Authority of India to manage the banks and a comprehensive audit organisation to carry out regular inspection of the accounts of the banks?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH):

(a) and (b). The performance of each of the public sector banks is reviewed on a continuous basis with the aim to ensure their effective functioning. Since nationalisation, Banking industry has been oriented towards larger social role to subserve national priorities and objectives. The industry has undergone a structural transformation with the expansion of branches of commercial banks specially in rural and semi-urban areas. There has been substantial mobilisation of savings by way of deposits and reorientation of flow of credit to hitherto neglected sectors and sections of society.

(c) Public Sector Banks, as also other Banks are subject to regular periodical inspection by Reserve Bank of India/Government reviewing difference performance indicators on a continuous basis. In order to consolidate the banking industry, Annual Action Plans are prepared by the banks themselves with the objective to improve Banks' operational efficiency. Banks have been advised to review their income and expenditure to improve profitability and to ensure better fund management and effective quick recovery of Banks' dues. The Banking industry has been responding positively to the needs of a fast growing economy undergoing a process of modernisation and liberalisation, Banks have

also been diversifying their operations in related fields like leasing, Merchant Banking, Housing and mutual fund.

(d) The existing system of Management, audit and Inspection as also the vigilance machinery in public financial institutions and public sector banks is working smoothly. Keeping in view these facts as also the nature of the commercial operations of these Banks and the need for a proper mix of autonomy and accountability in public sector banks, it is not considered necessary to entrust management and the audit of these organisations to any separate Banking authority of India.

Misuse of Loans in Himachal Pradesh

351. SHRI K.D. SULTANPURI: Will the Minister of FINANCE be pleased to state:

(a) the details of loans provided to different institutions including Governmental bodies of Himachal Pradesh for developmental projects during the current financial year;

(b) the conditions for such loans;

(c) whether the Union Government have received any reports about the misuse of such loans; and

(d) if so, the details thereof and the action taken thereon?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) to (d). The total bank credit of all scheduled commercial banks in Himachal Pradesh was Rs. 462.01 crores in March, 1990. The same was Rs. 473.64 crores as on June, 1990 (the latest figures available). This gives the CD ratio of 38.8 per cent for Himachal Pradesh.

The loan proposals received from individuals or corporate bodies or public sector institutions are examined on their merits by the individual banks keeping in view the guidelines issued by Reserve Bank of India (RBI) from time to time. It has to be ensured that loans and advances are made keeping in view the following basic objectives:

- (i) To grant advances on a sound and realisable basis.
- (ii) To invest the bank's funds profitably subject to instructions and advice of RBI in the matter of lending to specified sectors where considerations of profitability have to be harmonised with wider national objectives.
- (iii) To serve the legitimate credit needs of the community in its areas of operations for productive and other desirable purposes.

The banks are also required to have an efficient system of monitoring by way of an internal reporting system, inspection and review.

The data reporting system provides information on the overdues on banks' loans for agricultural sector. The percentage of overdues to demand on banks' loans to agriculture in Himachal Pradesh was 59.2. The management of the banks review periodically the health of the account and takes remedial steps to ensure the proper conduct of accounts and recover the overdues within legal framework provided.

[*Translation*]

Loan to SCs/STs Setting up Industries

352. SHRI RAM LAL RAHI: Will the Minister of FINANCE be pleased to state: