

Status of Kashinath Seth Bank

1035. SHRI SANTOSH KUMAR GANGWAR : Will the Minister of FINANCE be pleased to state:

(a) whether the Kashinath Seth Bank Ltd., Shahjahanpur, has since started working;

(b) if so, the details thereof and the directions issued for checking the recurrence of irregularities;

(c) the action taken against the persons found guilty; and

(d) the steps taken for improving financial position of the Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL): (a) and (b) Reserve Bank of India has reported that Kashinath Seth Bank Ltd., has since been amalgamated with the State Bank of India w.e.f. 1.1.1996. However for payment to creditors and depositors, the effective date was 1.2.1996. Reserve Bank of India has reported that the matter had been referred to the CID.

(c) The report of CID is awaited.

[English]

Fraud by the Financial Companies

1036. SHRI RAJNATH SONKAR SHASTRI : Will the Minister of FINANCE be pleased to state:

(a) whether the Government are aware that some of the companies advertise for fixed deposits with them at higher rate of interest than the banks and many people invest their hard earned money with them;

(b) whether some of the companies have failed to return the interest amounts and the capital amount to the investors; and

(c) if so, how many such cases have come to the light of the Government and the action taken thereon to safeguard the interests of the investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL): (a) Yes, Sir.

(b) Yes, Sir.

(c) Reserve Bank of India (RBI) has reported that a few complaints were received from depositors/investors against some NBFCs and Residuary Non-Banking companies (RNBCs) regarding non-payment of principal and interest on deposits. RBI has further reported that as per the present regulatory framework only the deposit acceptance activities of NBFCs, MNBCs and RNBCs are regulated by three sets of Directions issued

by it, in accordance with the provisions of the RBI Act, 1934. These directions stipulate ceiling on deposits, rate of interest on deposits, maintenance of liquid assets, etc. The RBI is empowered to take action against delinquent companies for contraventions of its direction by prohibiting the concerned companies from accepting further deposits and launching prosecution proceedings against them in courts of law. It, however, cannot enforce repayment of deposits and payment of interest thereon and the remedy left to the depositor is to enforce the contract in a court of law, acceptance of deposits being a civil contract.

[Translation]

Prices of Silver

1037 SHRI DATTA MEGHE :

DR. P.R. GANGWAR :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware that the prices of silver are going up;

(b) if so, the reasons therefor; and

(c) the steps being taken by the Government to check the rise in the prices of silver in the country?

THE MINISTER OF STATE IN MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY): (a) The monthly average price of silver in Bombay, as reported by the Reserve Bank of India, Bombay, recorded an increase of 13.3% during 1995 when it rose from Rs. 6361.04 per kg. in January 1995 to Rs. 7205.25 per kg in December 1995. The prices of silver shot up again in January 1996. This upward rally of silver prices in the domestic market continued till February 1996 when it reached its all time high of Rs. 8486 per kg. Thereafter, silver prices have declined almost continuously for the rest of the month.

(b) According to market sources, the rise in international prices of silver both in the New York and London markets as also depreciation of the rupee vis-a-vis the US dollar have constituted to the silver price rise in India.

(c) The steps taken by the Government to keep a check on the silver prices include permission to import given upto 100 kilograms under the liberalised import scheme and also permitting silver import under Special Import Licences.

[English]

Smuggling of Mobile Phones

1038. SHRIMATI GIRIJA DEVI : Will the Minister of FINANCE be pleased to state :

(a) whether according to the seizures by the customs authorities, the smuggling of mobile phones at the international airports in the country has shown a rise;

(b) if so, the details thereof; and

(c) the steps taken to remedy the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHARA MURTHY) : (a) Mobile phones have started coming only after the recent introduction of Mobile phone services. Therefore seizure figures can not show any trend towards rise in smuggling.

(b) The details of seizure during the year 1995-96 upto 31.1.96 are given below :

No. of Telephones	No. of Cases	Value of Seized Mobile Telephones (Rs. In Lakhs)	No. of persons arrested
1418	45	293.36	13

(c) Anti-smuggling agencies are alert to detect and prevent smuggling including smuggling of mobile phones. Sophisticated equipments such as baggage X-Ray machines and metal detectors are being used, in addition to developing specific intelligence in this regard.

Use of Hindi

1039. SHRI PARAS RAM BHARDWAJ : Will the Minister of TEXTILES be pleased to state :

(a) the names of the undertakings under his Ministry from where the latest quarterly reports in respect of the use of Hindi have been received and also the names of those whose reports have not been received.

(b) the names of the undertakings which have fulfilled the annual programmes in toto and also those which have not fulfilled the same partially alongwith the names of such undertakings which are still in the initial stage of fulfilling these programmes; and

(c) the position with regard to the creation of Hindi

cadre availability of mechanical devices, compliance of section 3(3), issue of notifications under Section 10(4) and 8 (4) and purchase of Hindi books, newspapers and magazines for the libraries separately in accordance with the targets set out in the annual programmes in all of these undertakings?

THE MINISTER OF LABOUR AND MINISTER OF TEXTILES (SHRI G. VENKAT SWAMY) : (a) (i) The names of Public Sector Undertakings under the Ministry of Textiles from which the reports regarding progressive use of Hindi for the quarter ending on 31.12.1995 have been received by the Ministry of Textiles, are given below :-

1. National Textile Corporation Ltd.
2. British India Corporation.
3. Cotton Corporation of India Ltd.
4. Jute Corporation of India Ltd.
5. Handicrafts and Handlooms Export Corporation.
6. Central Cottage Industries Corporation.
7. North-Eastern Handicrafts and Handlooms Development Corporation.
8. National Handloom Development Corporation.

(ii) National Jute Manufactures Corporation has not sent the quarterly report to the Ministry of Textiles.

(b) All the nine Public Sector Undertakings mentioned in part (a) above have partially implemented the annual programme.

(c) The targets set out in the Annual Programme for all the Public Sector Undertakings under the Ministry of Textiles have been partially fulfilled.

[Translation]

Over Drafts by States

1040. PROF. PREM DHUMAL : Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry or Reserve Bank of India keep track about the over-drafts made by the States;

(b) if so, the State-wise details of the over-draft made till January 31, 1998;