

Bank of India has reported that it has not commented adversely on the accounting system of 'Maharashtra Savings' a proprietary concern having its Head Office at Bombay and administrative office at New Delhi.

(b) and (c). In accordance with the provisions of Chapter III-C of the Reserve Bank of India Act, 1934, unincorporated bodies are prohibited from accepting deposits in excess of certain specified numbers. In terms of the provisions of this Act, it is for the State Government concerned to create the necessary machinery to enforce the provisions of the Act. Reserve Bank of India has already addressed all the State Governments to create the necessary machinery.

On receipt of certain complaints alleging non-payment of deposits by 'Maharashtra Savings', Reserve Bank of India has forwarded the same to the Government of Maharashtra for taking appropriate action. In the meanwhile, 'Maharashtra Savings' has filed a writ petition in the High Court of Delhi challenging the constitutional validity of Chapter III-C of the Reserve Bank of India Act, 1934.

[English]

Dr. S.R. Sen Committee Report

3816. SHRI C. P. THAKUR : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a Committee headed by Dr. S. R. Sen, Chairman, International Food Research Institute, Washington was appointed by the Reserve Bank of India ;

(b) if so, whether the Committee has submitted its report ;

(c) if so, recommendations of the Committee ; and

(d) the steps Government have taken to implement the recommendations of the Committee, particularly in regard to raising of food production in Eastern Region ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reserve Bank of

India jointly with the National Bank for Agriculture and Rural Development has set up a committee in November 1983 under the Chairmanship of Dr. S. R. Sen to look into the problems of Agricultural Development in the Eastern Region.

(b) to (d). Reserve Bank of India has reported that the Committee in its report has pointed out that accelerated agricultural development in the Eastern Region in India requires massive provisions of tube wells and pump sets, improvement in drainage and water management techniques, improved credit structure, research and extension, power, better arrangements for storage and marketing and setting up of rural industries etc. The Reserve Bank has forwarded the report of the committee to the Chief Secretaries of the concerned State Governments for their comments. RBI has reported that the comments are still awaited by them.

Fraud Detected at Podalakuru in Nellore District Branch of State Bank of India

3817. SHRI V. SOBHANADREESWARA RAO :
SHRI MANIK REDDY :
SHRI M. RAGHUMA REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether attention of Government has been drawn to the press reports appearing in 'The Times of India' of 3 November, 1985 where in it stated that fraud involving Rs.95.83 lakhs has been detected at the State Bank of India Branch at Podalakuru in Nellore District of Andhra Pradesh ;

(b) whether any enquiry has been conducted into the matter ;

(c) if so, the findings of the enquiry ; and

(d) the action taken by Government against those held responsible ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) to (d). State Bank of India has reported that the Branch Manager, Podalaku Agricultural Development branch of the State Bank of India had sanctioned 753 overdrafts for an aggregate of Rs. 95.83 lakhs to farmers spread over 23 villages. Preliminary investigations have revealed that these overdrafts were granted only to such of the ryots who were entitled to compensation for their lands/houses which are likely to be submerged under the 'Telugu Ganga' Project. It was further revealed that these farmers wanted to rehabilitate themselves by acquiring assets elsewhere and seek alternative economic activities in anticipation of steep rise in prices when the Government pays sizeable amounts by way of compensation in the area at a time. The Branch Manager provided finance to them on the promise that they would deposit with the bank compensation money by way of deposits after adjusting overdrafts granted to them. The bank has since taken steps to recover the overdrafts. A sum of Rs. 4.78 lakhs has been repaid in cash. In respect of 230 accounts, an aggregated amount of Rs. 23.08 lakhs has been converted into agricultural advances under normal lending schemes of the banks. The present outstandings of the remaining overdraft accounts amount to Rs. 60.93 lakhs. The bank has handed over the matter to the CBI for investigation and will examine the accountability aspect on receipt of the report from the CBI.

Foreign Shareholdings in Indian Companies

3818. SHRI S. JAIPAL REDDY : Will the FINANCE MINISTER be pleased to state :

(a) whether it is a fact that leading business houses like Duncans Group and United Breweries Group have acquired foreign share-holdings in Indian companies such as CEAT, Dunlops and Bakelite Hylam, etc. ; and

(b) if so, whether the transactions were legally valid.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). According to the information available with

the Reserve Bank of India, the Reserve Bank had allowed the sale of 58,776 shares of Rs. 100/- each of Ceat Tyres of India Ltd. by Ceat International S.A. to Sarvashri Harsh Vardhan Goenka (29,888) and Sanjiv Goenka (29,388) at a price of Rs 204/- per share. The Reserve Bank is not aware of the acquisition of foreign shareholdings by Duncan & United Breweries Groups in Ceat, Duncan and Bakelite Hylam Ltd.

Workers Participation in NTC Management

3819. SHRI VISHNU MODI : Will the Minister of TEXTILES be pleased to state :

(a) whether Government have taken a decision to give the workers of the National Textile Corporation participation in the management of the Corporation;

(b) if so, the number of the NTC mills where the Scheme of workers participation has not been introduced ;

(c) whether it is also a fact that wherever the workers of NTC Mills have been given participation, the reaction of the management is not favourable; and

(d) if so, the action taken by Government in this regard and if no action has been taken, the reasons therefore ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). Management Committees, involving labour participation in management, have been introduced in 52 out of the 123 textile mills (in operation) of National Textile Corporation.

(c) No, Sir.

(d) Does not arise.

Indian Trade Team Visited to Malaysia

3820. SHRI T. BALA GOUD : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that Indian trade team visited Malaysia in the month of September, 1985 ;