

(c) Punjab and Sind Bank has reported that the Officer Incharge of Piperiadhani branch, whose services have since been terminated, happens to be a cousin of one of the Central Managers of the bank.

Violation of FERA and COFEPOSA by Multinational Cigarette Companies

6501. SHRI RAM BHAGAT PASWAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that some Multinational Cigarette Companies have violated FERA and COFEPOSA duridg last three years; and

(b) if so, whether Government propose to examine the matter ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The investigations, conducted by the Enforcement Directorate, in the case of one foreign brand of cigarette, being manufactured by an Indian company, did not reveal any contravention of the provisions of Foreign Exchange Regulation Act.

Proposal of Owning Banks by State Governments

6502. SHRI H. M. PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether Government have taken note of the suggestion made by the Karnataka Chief Minister for State Governments themselves owning banks for mobilising resources for development plans;

(b) if so, the reaction of Government thereto; and

(c) whether Government propose to approve such a proposal if it is made by any State Government to establish a State Bank ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Presumably the Hon'ble Member is referring to the newsitem under the caption "Hegde

proposes state-owned banks" which appeared in the Newspaper "The Hindu" in its issue dated 31.12.1985.

(b) and (c). In terms of the provisions of the Banking Regulation Act, 1949, establishment of a new bank, whether in the public sector or private sector, requires a licence from the Reserve Bank of India (RBI). Having regard to the various relevant factors, RBI is of the view that there is no need to establish any new commercial bank at present. It has also been reported by the RBI that it has not received any proposal from the State Government of Karnataka for establishment of a State Government owned bank.

[Translation]

Japan's Technical and Industrial Assistance to India

6503. PROF. NIRMALA KUMARI SHAKTAWAT : Will the Minister of FINANCE be pleased to state :

(a) whether Japan has agreed to help India in the field of textile industry, Railways and petroleum production;

(b) the areas in which Japan has agreed to give industrial and technical assistance to India, and

(c) what India will give to Japan in lieu thereof and on what terms and conditions ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). Preliminary discussions are being held between India and Japan to identify areas for Japanese assistance for modernisation of the Indian Railways, textile industry and Burnpur works of Indian Iron and Steel Company. There is no such proposal at present in regard to petroleum production.

(c) Question does not arise.

[English]

Reduction in Bureaucracy Size

6504. SHRI K. KUNJAMBU : Will the Minister of FINANCE be pleased to state :