

Decision to Reduce Aid to India by UK and Japan

2813. SHRI B. V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether U.K. and Japan have taken a decision to reduce aid to India;

(b) if so, the main reasons thereof;

(c) the projects that will likely to be affected due to this cut;

(d) whether India have requested both the countries to reconsider their decision;

(e) if not, the main reasons thereof; and

(f) the alternative measures being considered in view of their reduction in aid ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) Government of India have not received any advice from UK or Japan about any decision to reduce aid to India.

(b) to (f). Do not arise.

Non-Charging of Interest on Money Borrowed from Nationalised Banks

2814. SHRI S. M. GURADDI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that several lakhs of rupees are being lost by the nationalised banks due to violation of the Reserve Bank of India Rules by non-charging quarterly interest on money borrowed from them;

(b) if so, the details thereof;

(c) what steps are being taken to make the nationalised banks to stick to rules and recover the charges; and

(d) any penal action that has been taken in this regard against the erring bank officials ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) to (d). It is not correct to say that

lakhs of rupees are lost by nationalised banks due to violation of Reserve Bank's directives. In terms of Reserve Bank's directive on interest rates on advances, banks are permitted to charge interest at quarterly or longer rests. However, scheduled commercial banks including public sector banks, generally charge interest at quarterly rest except when (a) an advance is an agricultural advance and the outstanding loan/installment has not become overdue or (b) concerned unit is a stick unit under an approved nursing programme or (c) in case of compromise settlements.

Banks have a system of internal audit as also statutory audit. The aspect regarding charging of interest at appropriate rates and intervals is looked into by the banks' auditors and internal inspectors and deficiencies noticed, if any, are taken up for rectification. Similarly, during the course of inspections of banks by the Reserve Bank, if such instances are noticed, they are brought to the notice of banks for necessary corrective action. Banks are expected to take suitable action against the erring bank officials.

Raids on Offices of Share Brokers in Bombay

2815. SHRI THAMPAN THOMAS : Will the Minister of FINANCE be pleased to state :

(a) whether over twenty sharebrokers offices housed in Bombay Stock Exchange Building were raided recently by the income-tax authorities;

(b) if so, whether a number of offices of sharebrokers were sealed; and

(c) the details of the offices of share-brokers sealed and the total amount of cash found in the search ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARY) : (a) to (c). Offices of only five share brokers housed in Bombay Stock Exchange Building were searched on 4-7-1985 by the Income-tax authorities. Out of these, two offices were sealed on 4-7-1985 which were opened subsequently and search completed. The details of offices sealed are as under :