

**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 :

- (i) Devi Prasad Goenka, 208, Stock Exchange Building, Dalal Street, Bombay.
- (ii) Satyanarayan Khetan, Cabin No. 15, 5th floor, Stock Exchange Building, Dalal Street, Bombay.

During the search of office premises of share brokers, cash amounting to Rs. 97,593 was found.

#### Opening of a Steel Plant in Vidarbha, Maharashtra

2816. SHRI MUKUL WASNIK : Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) whether any survey has been made in Vidarbha region of Maharashtra to find out the feasibility of opening a steel plant; and

(b) if so, the finding thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF STEEL (SHRI K. NATWAR SINGH) : (a) and (b). In May, 1975 MECON had submitted a feasibility report to SAIL for an integrated steel plant of 2.5 million tonnes capacity based on iron ore deposits at Surajgarh in Maharashtra. This matter was not pursued.

#### Reservation and Workers Capital Issue

2817. SHRIMATI KISHORI SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether sanction for capital issues will now be subject to five per cent of the issue being reserved for staff and workers of the firm;

(b) if so, whether this scheme has been accepted by the trade unions; and

(c) if not, the steps taken to implement workers' share holding in industries in which they are working ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). As per guidelines placed on the Table of the House on 1st August, 1985 companies will be advised that while proposing a further issue of capital to the

Controller of Capital Issues, they should reserve 5% of the further issue for their employees/workers on an equitable basis. The guidelines have been generally welcomed.

#### [Translation]

#### Export of Cotton Garments

2818. DR. CHANDRASHEKHAR TRIPATHI : Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether the export of cotton garments has increased considerably;

(b) if so, the extent thereof;

(c) whether Government intend to increase the export of cotton garments further;

(d) if so, to what extent and the efforts being made in this regard;

(e) if so, the details thereof and if not, the reasons therefor; and

(f) the type of the clothes which have contributed to this increase ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) : (a) Yes, Sir.

(b) The exports of cotton garments have increased by 34.7% in value terms in 1984 as compared to 1983.

(c) Yes, Sir.

(d) and (e). A higher target of exports for garments has been fixed for 1985-86. The following are the main steps taken to increase the exports of garments.

(i) With effect from 1st January, 1984 rates of CCS have been revised upwards for certain categories of readymade garments.

(ii) 114 garment and hosiery making machines have been placed on OGL. 97 of these machines are allowed to be imported on payment of concessional duty.

(iii) Entitlement under REP licence for import of essential inputs is permitted. Essential are also