

85 applications had been sanctioned Rs. 412.61 crores under the Textile Modernisation Fund Scheme.

(b) So far 4 applications have been sanctioned Rs. 14.14 crores under the Jute Modernisation Fund Scheme.

(c) Modernisation is an on-going process which requires time for completion and it is too early at this stage, since the Textile Modernisation Fund Scheme and the Jute Modernisation Fund Scheme have come into existence only from 1.8.86 and 1.11.86 respectively, to assess the extent to which the health of the two industries has improved as a consequence.

#### Export of Items of Leather Goods

5520. SHRI AMARSINH RATHAWA : Will the Minister of COMMERCE be pleased to state :

(a) the main items of leather goods exported from India ; and

(b) the names of the countries to whom the export of leather goods is being made ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) The main items of leather goods being exported from India are footwear components, footwear, garments, harness and saddlery and other leather goods and accessories.

(b) Major destinations for Indian leather include USSR, FRG, USA, GDR, U.K., France, Italy and Japan.

#### Suspension of Recovery of Loans by Haryana Government

5521. SHRI AMARSINGH RATHAWA ; Will the Minister of FINANCE be pleased to state :

(a) whether the Government of Haryana have stopped the recovery of loans from the weaker sections of the State ;

(b) if so, the total amount involved :

(c) whether the permission from the Government has been sought ;

(d) if so, the details thereof ;

(e) if not, the action taken by the Union Government in this respect ; and

(f) whether similar steps have been taken or proposed to be taken by other State Governments to stop the recovery to loans from the weaker sections of the society ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (e) In regard to the advances of the cooperative banks to the weaker sections, Government of Haryana have intimated that recovery of such loans has not been stopped by the State Government. It has, however, been reported that the State Government of Haryana has taken a decision that the following amount of loans outstanding as on 23.3.1986 may be remitted :

(i) Overdues of short and medium term loans aggregating Rs. 45.29 crores advanced by cooperative institutions to farmers owning land upto 6.25 acres, landless labourers, rural artisans, petty shopkeepers, etc., subject to a ceiling of Rs. 10,000/- per beneficiary.

(ii) An amount of Rs. 12 crores consisting of Rs. 10,000/- for each tractor loanee advanced by Land Development Banks.

(iii) Overdues to the extent of Rs. 8.36 crores advanced by Social Welfare Department and four corporations working under it subject to a ceiling of Rs. 10,000/- per beneficiary. It has also been reported that the State Government is of the view that overdues of Rs. 15.86 crores relating to loans advanced by the commercial banks jointly with the corporation under Social Welfare Department of the State and also overdues of Rs. 146 crores relating to small loans given by commercial banks may be written off under Small Loan Guarantee Scheme, 1971, As regards the advances of the commercial banks including the regional rural banks, Reserve Bank of India (RBI) has clarified in a Press Release that no authority other than the banks themselves can write off the bank loans. Since guidelines of RBI already

exist on this subject, no further instructions from the Union Governments have been issued to the banks.

(f) While some of the other State Governments have in the past announced measures to provide incentives/relief to various types of borrowers, no instance of measures by such Governments to stop the recovery of advances of commercial banks has come to the notice of the Government.

#### Aid to Nepal for Construction of Roads

5522. SHRI VIRDHI CHANDER JAIN : Will the Minister of DEFENCE be pleased to state :

(a) whether India has been giving aid to Nepal for building roads of defence importance ; and

(b) if so, how much quantum of aid has been given so far during the last five years ?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL) : (a) and (b) An aid to the tune of Rs. 18 crores has been provided by India to Nepal during the last 5 years for the construction of the Kohalpur-Mahakali Highway (Western Sector).

#### Management and Functioning of Banks

5523. PROF. NARAIN CHAND PARASHAR: Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to streamline the management and functioning of banks keeping in view the rising trend in the frequency of frauds ;

(b) whether it is proposed to set up an all India bank inspection authority headed by a person of the rank of C & AG enjoying constitutional independence, privileges and authority ;

(c) whether it is also proposed to establish a permanent commission of enquiry to deal exclusively with corruption and malpractices in the banking industry ; and

(d) if so, the details of the steps contemplated ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reserve Bank of India (RBI) have reported that frauds have generally occurred in banks not an account of any lacunae in the existing systems and procedures, but largely owing to non-observance of the prescribed procedures and safeguards. Banks have therefore been advised to strengthen up the internal vigilance machinery and to ensure that instructions and procedures are fully followed. Banks have also been advised to streamline and improve systems and procedures so that areas for perpetration of frauds are reduced and frauds can be prevented. Banks have books of instructions indicating precautions/checks which their staff should observe to prevent occurrence/recurrence of frauds. Banks have been asked to take steps to strengthen the control mechanisms, including the internal audit/inspection machinery and to make them more effective so that frauds are detected in time and also to eliminate the scope for frauds and malpractices. Clearance of arrears in balancing of books and reconciliation of inter-branch and other accounts are also being undertaken by banks on a continuous basis. The number of frauds reported by public sector banks during 1986 and the amount involved in such cases has also declined in comparison to those of 1985 as is shown below :

Year	No. of frauds	Amount involved
1985	2157	Rs. 5348.02 lakhs
1986	1822	Rs. 4441.78 lakhs

(b) No, Sir.

(c) No, Sir.

(d) Does not arise.

#### Protection of Pay to Re-employed Civilian School Masters

5524. SHRI AJAY MUSHRAN : Will the Minister of DEFENCE be pleased to state :

(a) whether Government had decided in 1983 that previous pay of re-employed