

(e) the particulars of the contractor ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) About Rs. 18.67 crores.

(b) Rs. 14.97 crores.

(c) The building has been constructed as per approved plan and after obtaining clearances from the concerned authorities. LIC has not received any report of dislocation in traffic and pollution.

(d) Shri Charles Correa, Consulting Architect, Mathew Road, Bombay. The professional fees amount to Rs. 23 lakhs.

(e) The main building contractors were M/s. Shapoorji Pallonji & Co., Pvt. Ltd., Bombay.

Frauds in State Bank of Indore Branches in Kanpur

8105. SHRI MANVENDRA SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether cases of bunglings/frauds have been detected in the matter of bogus cheque discounts and overdrafts facilities given during the period January, 1979 to December, 1984 in the branches of State Bank of Indore in Kanpur (Uttar Pradesh);

(b) if so, the branch-wise, details thereof;

(c) the total amount involved in each case and the number of officials found involved therein; and

(d) the present position of each such cases ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (d). State Bank of Indore has reported that one case of fraud was detected in June 1980 at its Gumti No. 5 branch, Kanpur involving discounting of bogus cheque, leading to an overdraft of Rs. 69,500. The Bank has further reported that in connection with this case while one officer has been dismissed from the Bank's service, punishment of

stoppage of one increment without cumulative effect has been awarded to another official. The Bank has also filed civil suit against the party for the recovery of its dues and has also lodged claim with the insurance company.

Loans Advanced by State Bank of Indore

8106. SHRI MANVENDRA SINGH : Will the Minister OF FINANCE be pleased to state :

(a) the amount of loans sanctioned and disbursed under letter of credit/foreign trade business by the State Bank of Indore during the last year;

(b) the number of companies/export units/woollen hosiery mills etc. to which it has been advanced; and

(c) the number of persons/companies/factories to which loans worth more than Rs. 10 lakhs each has been sanctioned and the total money sanctioned to them ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). The State Bank of Indore has reported that the limits sanctioned by it to 45 companies/export units under letter of credit/foreign trade (export finance) during January-December 1987 was Rs. 44.83 crores (approx.). Against these, the out-standings were Rs. 34.54 crores (approx.).

(c) The bank has also reported that it had sanctioned limits of more than Rs. 10 lakhs each to 30 companies involving total amount of Rs. 44.34 crores (approx.) during last year.

Writing off of Bank Loans to Cotton Growers in Andhra Pradesh

8107. SHRI SRI HARI RAO :

SHRI MANIK REDDY :

SHRI SITARAM J. GAVALI :

SHRI V. SOBHANADREESWARA RAO :

Will the Minister of FINANCE be pleased to state :

(a) whether Government of Andhra Pradesh has recently approached the Union

Government for writing off the crop loans given by the nationalised commercial banks to cotton growers in Guntur, Prakasam and other districts of Andhra Pradesh in view of the failure of cotton crops and subsequent suicides by farmers;

(b) if so, whether this proposal has since been examined by the Union Government; and

(c) if so, the nature of decision taken by the Union Government ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). A letter dated 24.2.1988 has been received from the Department of Agriculture of the State Government of Andhra Pradesh indicating, *inter alia*, that the cotton grower-farmers in Prakasam District want loans given by the banks to be written off or atleast interest to be waived and loans rescheduled. The consistent stand of Government of India and Reserve Bank of India has been that generalised waiver or write off of loans affects the requisite financial discipline of the borrowers and vitiates their recovery climate. Such measures also build up expectations on the part of the borrowers that the loan instalments due for repayment in future could also be similarly waived and consequently their inclination to repay the loans gets weakened. However, Reserve Bank of India has issued detailed guidelines to the banks for providing suitable relief to borrowers in the case of natural calamities or other adverse exigencies resulting in failure of crops. These guidelines, *inter alia*, envisage conversion of short-term loans into medium-term loans, rescheduling of existing term loans, providing fresh crop loans, etc. Subject to these guidelines, credit institutions can remit or reschedule loans on the merits of each case, if such action is warranted according to their commercial judgement.

Projects Proposed for Yen Credit Assistance

8108. SHRIMATI MADHUREE SINGH : Will the Minister of FINANCE be pleased to state :

(a) the likely projects proposed to be posed for next years Yen credit assistance;

(b) the proportion of the assistance proposed for ongoing projects as compared to the new projects; and

(c) how do Government propose to ensure that the projects are evenly spread among various parts of the country ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Negotiations with the Government of Japan and the Oversease Economic Cooperation Fund of Japan (which is the official funding agency) are underway to finalise the project proposals for Japanese assistance in 1988. The list of projects will be finalised by the time of the Aid India Consortium Meeting in Paris in the month of June, 1988.

(c) Projects are posed for external financing depending upon their feasibility, priority, maturity for implementation, resources position of the implementing agencies and the lending criteria of the donor agency.

Projects Pending with Ganga Flood Control Commission

8109. SHRIMATI BIBHA GHOSH GOSWAMI : Will the Minister of WATER RESOURCES be pleased to state :

(a) whether several projects are still pending with the Ganga Flood Control Commission;

(b) if so, the details thereof;

(c) when these projects were received by Government;

(c) the reasons for delay to clear these projects; and

(e) the time by which these projects are likely to be cleared ?

THE MINISTER OF STATE IN THE MINISTRY OF WATER RESOURCES (SHRIMATI KRISHNA SAHI) : (a) to (c). A statement is given below.

(d) The principal reasons for the delay in clearance of the projects are :

(i) The Schemes are not prepared after adequate investigations and studies as per the prescribed guidelines;