

FAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) to (c). State Bank of India, Canara Bank, Central Bank of India and United Bank of India are already participating in the banking transactions relating to the Indo-USSR bilateral trade. State Bank of India had recently signed Memoranda of Understanding with four Soviet Banks on banking and economic cooperation. Reserve Bank of India has received certain proposals for opening of branches from a Soviet Bank. It is not possible to indicate any time frame as the matter has to be considered from various angles.

Fraud in London Branch of Bank of India

2604. SHRISANAT KUMAR MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether a fraud has recently been committed on the London Branch of the Bank of India by a group of London-based non-resident Indians;

(b) if so, the particulars of group of companies and the amount involved;

(c) the steps taken to recover this amount; and

(d) the steps being taken by Government or the Reserve Bank of India against such indiscriminate advances by nationalised banks?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Reserve Bank of India (RBI) has intimated that Bank of India had reported to it that a fraud involv-

ing an amount of £ 1.827 million was committed at its London (Wembley) Branch in February, 1988, in the account of M/s Pamsons Motors Ltd., a concern owned by London based non-resident Indians.

(c) Bank of India has reported that the matter was reported to the Fraud Squad and court case filed against the Company. Bank's case for summary judgement against the Company was awarded in its favour and the Sheriff of London has been requested to allow the levy of execution on the Company's assets. In the meantime, the Bank's solicitors have also applied to the Court for contempt proceedings against the Directors of the Company.

(d) RBI has appropriately cautioned Indian banks having their branches abroad. The Banks have also been advised to urgently review the control systems and procedures relating to their overseas operations. In this case the concerned Manager has been dismissed.

Impact of Import of Cash Crops on Domestic Production

**2606. SHRI CHINTAMANI JENA:
SHRI MOHANBHAI PATEL:**

Will the Minister of COMMERCE be pleased to state:

(a) whether due to shortage and increasing demand of natural rubber, copra, coconut oil other cash crops Government allowed its import;

(b) whether it has made an adverse effect on indigenous production and prices;

(c) the steps being taken to increase the

production of such items in the country to meet the demand;

(d) whether any other coastal area such as Orissa, Gujarat, Andhra Pradesh, Goa etc. have been tested for the plantation of rubber and coconut trees etc; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI): (a) and (b). Import of natural rubber, copra, coconut oil continues to be canalised through STC. Imports of rubber are made only to the extent of shortfall between the demand and indigenous production. Only imports of certain spices-cloves, cinnamon/cassia, nutmeg and mace have been decanalised and allowed under Open General Licence. The prices of these spices have registered a decline but it is too early to say whether this would lead to any adverse effect on indigenous production.

(c) to (e). Survey and trial plantations have been conducted by the Rubber Board in the non-traditional areas of Assam, Orissa, Tripura, Meghalaya, Arunachal Pradesh, Mizoram, Manipur, Maharashtra and Goa. Steps are being taken to introduce high yielding clones to achieve accelerated production growth of rubber. The tempo of planting rubber is being increased to attain the target of 24,000 hectares by 1989. Similarly, Coconut Development Board is implementing various programmes for development of coconut production during the 7th Five Year Plan. For this, an outlay of Rs. 550 lakhs has been provided. Coconut plantation is being carried out in the States like Orissa, Gujarat, Andhra Pradesh, Goa, etc.

Suggestions for Modernisation of Textile Industry

2607. SHRI MULLAPPALLY RAMACHANDRAN: Will the Minister of TEXTILES be pleased to state:

(a) whether Union Government have received any representations/suggestions for promoting the modernisation of textile industry and for lessening the cost of modernisation;

(b) if so, the details of the suggestions made for lessening the cost of modernisation;

(c) the response of Union Government to those suggestions; and

(d) the measures proposed to be taken by Union Government for improving the textile industry and for increasing textile export?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) to (c). Government do receive suggestions from time to time from various quarters on different aspects of modernisation of the textile industry. These suggestions are considered in the light of 1985 Textile Policy Statement.

(d) Government have taken a number of steps to improve the performance of the textile industry and for increasing exports. For instance, excise duty on certain machinery items has been reduced, revised rates of CCS have been announced and made effective from 1.7.86, units coming under the 100% export oriented Scheme and Free Trade Zones are now eligible for CCS and tax holidays for five years, etc.