

a pamphlet containing 17 questions relating to the functioning of the Industrial Finance Corporation of India forwarded by some Members of Parliament. The allegations related *inter-alia*, to irregularities in the matter of disbursement and write off of loans. These were looked into and were not found substantiated.

Bank Loans against Security of Jewellery

495. SHRI G.S. BASAVARAJU :
SHRI S.B. SIDNAL :

Will the Minister of FINANCE be pleased to state :

(a) whether a working group of the Indian Bank Association has suggested liberal bank loans against security of gold, silver and jewellery to cater to the common needs of the public;

(b) if so, the other points made in the report of the working group; and

(c) the extent to which the suggestions made by the working group have been implemented ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) The Reserve Bank of India have reported that the Indian Banks' Association (IBA) had constituted a working group to study the impact of Private Financial Un-incorporated Bodies (PFUBs) on the deposit mobilisation efforts of commercial banks. The Group, *inter-alia*, suggested some measures for weaning away the gullible public from the clutches of usurious money lenders which include granting of liberal bank finance against security of gold ornaments/jewels.

(b) The other suggestions of the working group relate to the guidelines for users, refinement of banking and remedial measures etc. and include (i) advertisement campaign at micro level of banks, (ii) payment of interest on term deposits at monthly rests, (iii) advice to the member banks to follow instructions of the Reserve Bank of India, (iv) request to all State Governments to introduce provisions on the lines of Kerala Governments Money Lenders (Amendment) Ordinance, 1987 and Special Tribunals to deal with the cases of PFUBS.

(c) The copies of the report had been circulated to various authorities *e.g.* Central and State Governments, Reserve Bank of India, Commercial banks and private bodies like Advertising Standards Council of India (ASCI) suggesting appropriate action on the suggestions/recommendations made by the working group.

Loans Advanced by Banks

496. SHRI G.S. BASAVARAJU
SHRI S.B. SIDNAL :

Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India directed the commercial banks to grant loans upto Rupees 10 crores;

(b) whether the scheme has not picked up because of non-availability of necessary facilities; and

(c) if so, the action taken/proposed to be taken by Government in this regard ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). Reserve Bank of India have reported that they have not issued any specific instructions to commercial banks to grant loans upto Rs. 10 crores.

Working Group on Deposit Mobilisation of Commercial Banks

497. SHRI G.S. BASAVARAJU : Will the Minister of FINANCE be pleased to state :

(a) whether a working group has been set up to study the impact of private financial bodies on deposit mobilisation of commercial banks; and

(b) if so, the details thereof ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) and (b). Indian Banks' Association has constituted a working group to study the impact of Private Financial Unincorporated Bodies (PFUBS) on the deposits mobilisation of banks and also to suggest safety measures