

(v) The Divisional Manager of the bank did undertake a trip to Singapore and Hongkong in September 1981. This visit was occasioned on the basis of legal advice. The Board of Directors had approved the visit with a view to pursuing the recovery procedure and instituting the necessary legal action on certain outstanding bills against the foreign buyers subject to necessary permission from the Reserve Bank of India being obtained for the proposed visit. The RBI had approved the visit of the officer concerned & released the foreign exchange. As a result of this action, a recovery of Rs. 12,41,637 was made. The cost of the trip was Rs. 41,506. The concerned officer has not written off any loan.

(vi) The allegations regarding be-nami accounts having been opened by the bank's branches and other irregularities referred to are too vague to be scrutinised.

(vii) It is a fact that there was a robbery in the Bandra Branch some months ago. Some of the branches of the bank which work in shifts also did not have security guards. However, the amount robbed at Bandra Branch was recovered and the culprit was handed over to the police. The bank is taking necessary steps to strengthen the security arrangements wherever necessary.

(viii) The allegation regarding humiliation of Probationary Officer has been denied by the bank. On the contrary, it is reported that the performance of the Probationary Officer concerned was far from satisfactory and therefore, his explanation had to be called. He was also transferred to enable him to acquire better experience and have a change in the environment. He however, did not report for duty. Thereafter, he was treated to have a bandoned his service with effect from 18th May, 1982.

(ix) The bank has reported that its recovery performance has been quite satisfactory. The periodical reports and information regarding recovery are placed before the Boards of Directors of the bank for a review.

(x) Shri P.P. Bhatt who was the Deputy General Manager of the bank, had resigned from the service in March, 1981.

(xi) Shri Y. S. Hegde was appointed by Government in consultation with the Reserve Bank of India as Executive Director in the bank.

2. Having regard to the facts reported by the bank, there does not appear to be a case for any high level inquiry into the malfunctioning for the bank. The Reserve Bank of India, in the normal course of business, maintains supervision over the functioning of the nationalised banks. During the course of inspections of the banks, the Reserve Bank of India also gives suitable instructions and advice to the bank management.

#### Loans by Banks to States for Rural Development Schemes

5232. SHRI ANATHA RAMULU MALLU: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any complaints from State Governments to the effect that they are not getting sufficient loans from banks for rural development schemes;

(b) if so, whether Government had reviewed the position in this regard; and

(c) if so, what further steps are being taken in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). Banks are progressively strengthening their infrastructure and streamlining their procedures to extend support by

way of credit to the maximum extent possible in the implementation of the Integrated Rural Development Programme. The total term credit mobilised during 1980-81 was Rs. 207 crores. This increased to Rs. 470 crores during 1981-82.

Progress in respect of the implementation of the Programme is reviewed from time to time at State/regional/national levels and difficulties as are pointed out by the States in respect of the implementation of the Programme are, where possible, duly taken care of.

#### Applications for Distribution of Loans from Certain Districts of Gujarat for Cottage and Small Scale Industries

5233. SHRI RAMJIBHAI MAVANI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Centre has received thousands of applications from Rajkot, Bulsar, Bhavnagar, Amreli and other districts of Gujarat for cottage industries and small scale industries through District Industrial Development Centre under "BANKBAL" scheme so as to distribute loans and aids by various banks;

(b) if so, the number of such applications received during 1st February, 1980, 30th June, 1982 from above districts;

(c) how many applications have been passed, sanctioned and the details of loans, aid, subsidy given to each industry by each bank;

(d) when and how the remaining applications will be disposed of; and

(e) what is the plan estimates and target of the same for 1982-83?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c): The Government of India does not receive loan applications from cottage and small scale industries directly. However the District Industries Centres (DICs) in each State are providing credit assistance to small and cottage industries through various banks. The

information received in the progress Reports furnished by 17 District Industries Centres of Gujarat State, showing number of applications received, number of applications recommended to the banks and the number of applications sanctioned for loans alongwith the amount of loan for the years 1980-81, 1981-82 and 1982-83 (April to June, 1982) is given at Statement-I, II and III laid on the table of the House. [Placed in Library. See. No. LT-4493/82]

(d) With a view to facilitate timely sanction of credit facilities, Banks have been advised that their branch managers should be vested with adequate discretionary power so that 60 to 30 per cent of credit decisions could be taken at the branch level itself. Credit limits upto Rs. 25,000 and those exceeding this amount but upto Rs. 2 lakhs, should normally be disposed off within a period of 4 weeks and 8 to 9 weeks respectively from the date of receipt of the applications.

(e) The estimated targets for providing credit assistance through nationalised banks for the year 1982-83 has been fixed at Rs. 5904.30 lakhs for the entire State of Gujarat (17 DICs).

#### Export Trade with Hard Currency Area Countries

5234. SHRI R. L. P. VERMA: Will the Minister of COMMERCE be pleased to state:

(a) what is Government's policy in regard to export trade with Communist countries and hard currency area countries;

(b) whether it is a fact that the hard currency area countries do not want to purchase mica from the MITCO directly; and

(c) if so, what steps Government want to take to establish better trade with the hard currency area countries?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA): (a) Government attached equal importance to trade with