

**Memorandum Submitted by Regional Design and Technical Development Centres' Employees Association**

3764. SHRI A. NEELALOHITHAD-ASAN NADAR : Will the Minister of COMMERCE be pleased to state :

(a) whether the Regional Design and Technical Development Centres 'Employees' Association has submitted any memorandum to Government ; and

(b) if so, the details of the memorandum and the action taken thereon ?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA) : (a) Yes, Sir.

(b) A copy of the memorandum is laid on the table of the House Placed in library. See No. LT 8605/84). The Association of the Employees of the Regional Design and Technical Development Centre, New Delhi, have filed a writ petition in the High Court of Delhi. The matter being sub-judice, no action could be taken.

**Extension of Credit Facility over 5 lakhs to Directors or the Relatives Without Approval of Board of Directors**

3765. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state :

(a) whether Reserve Bank has directed all banks to ensure that no credit facility is extended to any of their directors or their relations over Rs. five lakhs without prior approval of Board of Directors ;

(b) whether Reserve Bank had also been critical of informal agreement among banks for extending credit facility to each other's directors and their relations ;

(c) whether Reserved Bank has asked Chairman and Managing Directors of all scheduled commercial banks to ensure that even

contracts of any kind are not awarded to such persons without approval of Boards ;

(d) if so, whether Government propose to set up any cell in his Ministry to monitor strict observance of these instructions by banks and take necessary action against defaulting banks, their Directors and Management ; and

(e) whether a copy of such directive issued by Reserve Bank would be laid on the Table ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (c) Yes Sir.

(b) According to Reserve Bank of India, the scrutiny of borrowal accounts of certain banks had revealed that they had developed a sort of informal understanding or mutual/reciprocal arrangements with each other for extending credit facilities to each others directors, their relations, etc. Reserve Bank had accordingly issued instructions on April 12, 1984 to all Public Sector and Private Sector Indian Scheduled Commercial banks (other than Regional Rural Banks).

(d) No, Sir. However, the Reserve Bank of India's inspecting officers during the course of periodical inspections will keep in view the aforementioned instructions and the Reserve Bank will take appropriate remedial action in regard to violations, in any, of these instructions.

(e) A copy of the Reserve Bank of India's instructions dated April 12, 1984 is laid on the table of the House. (Placed in Library. See No LT 8606/84).

**Raising of Euro Loans by IDBI, ICICI, IFCI, etc.**

3766. SHRI K. PRADHANI : Will the Minister of FINANCE be pleased to state ;