

**COMMITTEE  
ON  
GOVERNMENT ASSURANCES  
(1990-91)**

**NINTH LOK SABHA**

**FIRST REPORT**

*( Presented on.....2.4.1991 )*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*February, 1990/Magha, 1911 (SAKA)*

*Price Rs. 2.00*

CORRIGENDA

FIRST REPORT OF THE CGA (1990-91)

---

Page No.

---

- Contents page. Line 10 for 'December, 1989' read 'December, 1989'
- (vii) para 3 Line 5 for '27.11.1987' read '30.11.1987'  
Line 8 for 'decided' read 'decided'
- 2 Para 1.6 Line 11 for 'region' read 'regions'
- 2 Para 1.10 Line 7 for 'ommerca' read 'commerce'
4. Para 1.15 Line 2 for 'is many as' read 'as many as'  
Line 14 for 'licence' read 'licence'  
Line 27 for 'year' read 'years'
8. Para 2.6 Line 10 for 'proecess' read 'process'
11. Line 2 for 'depio' read 'depict'
14. Para 5.1 Line 1 for '27 Novambr, 1987' read  
'30 November, 1987'
22. Para 7 for '390' read '3290'
22. Para 10 for 'buisness' read 'business'

# CONTENTS

	<b>PAGE</b>
<b>COMPOSITION OF THE COMMITTEE</b> . . . . .	<b>(iii)</b>
<b>ACTION</b> . . . . .	<b>(vii)</b>
<b>T</b>	
<b>R I</b> Review of selected pending assurances . . . . .	<b>1</b>
<b>ER II</b> Position of pending assurances pertaining to Seventh and Eighth Lok Sabha . . . . .	<b>17</b>

## APPENDIX

Statements showing the position of assurances pertaining to Seventh and Eighth Lok Sabha pending implementation by the Government as on 29 December, 1989.	<b>18</b>
--	-----------

## MINUTES

Minutes of sitting held on 11 April, 1989	<b>20</b>
Minutes of sitting held on 4 October, 1989	<b>29</b>
Minutes of sitting held on 8 February, 1990	<b>30</b>

**COMPOSITION OF THE COMMITTEE ON GOVERNMENT  
ASSURANCES\* (1990-91)**

- Dr. Vijay Kumar Malhotra—*Chairman***
- 2. Shri Jai Parkash Agarwal**
  - 3. Smt. Subhasini Ali**
  - 4. Shri Bhajaman Behera**
  - 5. Shri Het Ram**
  - 6. Shri Kamal Nath**
  - 7. Shri Mahabir Prasad**
  - 8. Shri Mahadeepak Singh**
  - 9. Shri Haribhau Shankar Mahale**
  - 10. Shri Kusuma Krishna Murthy**
  - 11. Shri Debi P. Paul**
  - 12. Shri Amar Roy Pradhan**
  - 13. Shri C. Srinivasan**
  - 14. Shri Ramji Lal Suman**
  - 15. Shri P.K. Thungon**

**SECRETARIAT**

- 1. Shri C.K. Jain—*Joint Secretary***
- 2. Shri S.C. Gupta—*Director***
- 3. Shri Jyoti Prasad Jain—*Under Secretary***

---

**\*The Committee was nominated by the Speaker w.e.f. January 19, 1990 vide  
Para No. 125 of Lok Sabha Bulletin Part-II dated 19 January, 1990.**

**COMPOSITION OF THE COMMITTEE ON GOVERNMENT  
ASSURANCES\* (1989-90)**

**Prof. Narain Chand Parashar—*Chairman***

2. **Shri L. Balaraman**
- \*\*3. **Shri Somjibhai Damor**
4. **Shri Kadambur M.R. Janarthanan**
5. **Shri Bapulal Malviya**
- \*\*6. **Shri Krishan Pratap Singh**
7. **Shri Murlidhar Mane**
8. **Shri V. Krishna Rao**
9. **Shri Bholu Raut**
10. **Shri Prabhu Lal Rawat**
- \*\*11. **Shri Dharamvir Singh Tyagi**
12. **Shrimati Shanti Devi**
13. **Shri Kamla Prasad Singh**
14. **Shrimati Usha Thakkar**
15. **Shri Mahabir Prasad Yadav**

**SECRETARIAT**

1. **Shri C.K. Jain—*Joint Secretary***
2. **Shri S.C. Gupta—*Director***
3. **Shri Jyoti Prasad Jain—*Under Secretary***

---

\*The Committee was nominated by the Speaker w.e.f. June 20, 1989 *vide* para No. 2982 of Lok Sabha Bulletin Part-II dated 20 June, 1989.

\*\*Nominated by the Speaker w.e.f. 23 August, 1989, *vice* Sarvashri Bhadraswar Tanti, Sanat Kumar Mandal and Bajji Ban Riyan resigned *vide* para No. 3150 of Lok Sabha Bulletin Part-II dated 23 August, 1989.

## INTRODUCTION

I, the Chairman of the Committee on Government Assurances, as authorised by the Committee, do present on their behalf, this First Report of the Committee on Government Assurances.

2. The Committee (1990-91) were constituted on 19, January, 1990.

3. The Committee (1988-89) at their 12th sitting held on 11 April, 1989 took oral evidence of the representatives of the Ministry of Finance regarding Implementation/Non-implementation of the assurances given in reply to USQ No 3227 on 8.8.1986, SQ No. 164 on 14.11.1986, SQ No. 14 on 6.11.1987, USQ No. 3290 on 27.11.1987, USQ No. 7105 on 15.4.1988, USQ No. 9035 on 29.4.1988, USQ No. 9980 on 6.5.1988. At their sitting held on 4 October, 1989, the Committee (1989-90) took up for consideration this report and decided to consider it further in their next sitting. However, this Report could not be considered by them due to the dissolution of Eighth Lok Sabha.

4. The Report was again considered and adopted by the Committee (1990-91) at their sitting held on 8 February, 1990.

5. The Minutes of the aforesaid sittings of the Committee form part of this Report.

6. The conclusions/observations of the Committee are contained in the succeeding paras of the Report.

7. The Committee wish to express their thanks to the officials of the Ministry of Finance who appeared before the Committee.

NEW DELHI ;  
8 February, 1990  
19 Magha, 1911 (Saka)

DR. VIJAY KUMAR MALHOTRA,  
*Chairman,*  
*Committee on Government Assurances,*

It was added that as of now our objective is that the bank offices in a village should be for a population of 17000 persons and that a bank office should be available in about ten Kms. from a village."

1.11 The representative of the Reserve Bank of India further explained:

"The whole idea or the concept and approach will be to see that there is orderly disbursement or credit. \*\*\* Normally, the guidelines are that one branch should take care of 15 to 25 villages. \*\*\* We have told all the States to give us the list of further branches to be opened. From many States, we have received the information as to where we are going to place the branches. \*\*\* In the rural areas, branches should be distanced within ten kilometers. One branch should cover an area of two hundred sq. Kms. These are the parameters which we have kept in view."

1.12 Regarding the relaxation of norms for opening branches in hilly areas, the representative of the Ministry of Finance stated as under :

"There are many instances where we have opened branches for considerations other than distance and so on. As it is, norms are relaxed. The Deputy Governor mentioned that some viability exercise has also to be undertaken. In your State Himachal, the average population per branch office is six thousand. But there may be some other places where there may be distortions. Our objective is that the most difficult cases should be tackled with determination.

1.13 When asked to define a rural, urban and a semi-urban branch, the representative of the Ministry replied that a town which had a population of more than 10,000 was treated as a semi-urban area. A town which had a population of more than one lakh was treated as an urban area.

1.14 Asked about the revenue jurisdiction of a branch operating in border villages, the representatives of the Ministry stated :

"We don't follow that branches which are located at a particular place have to operate within a district or within a State also for that matter. Because operations of a bank are on all India basis.

Take for example Bhadohi. This may be in Assam. There is a large export of carpet from that place. So the banks there will have to be better staffed to take care of the needs of export, etc. So depending on the area and its needs we have to provide certain facilities. We don't recognise that a branch located in a particular district should not extend its operations to the neighbouring district.

With regard to anti-poverty programmes they have certain cooperation and coordination with DRDA and so on and therefore it would not be convenient for a branch to interfere with another district branch. But I think there may be some situations which overlap. To that extent there is a give and take approach between the banks."

1.15 Referring to a recent report of Estimates Committee, the Committee pointed out that as many as 592 licences were pending with various banks for opening branches in rural and urban areas for more than six months. The representative of the Ministry explained as follows :

"I would only like to submit that the bank licensing system works over a certain period. In a period of three years for which licences are granted by the Reserve Bank of India, banks are expected to set up those branches. Some time is required to scout around the area for buildings and other requirements. Of course, it would be the desire of all that once a licence has been granted, the branch would start functioning as quickly as possible. But the period of six months which has been referred to is only an administrative expectation that one should try and set up a new branch office within a period of six months.

There is no statutory requirement as such that once the licence is given the branch should be set up within six months failing which, we should go back to get the period extended and so on.

I will give you the figures for the years 1985, 1986, 1987 and 1988 and you yourself can see the pace at which new offices have been set up in these years. Because of the 'service area approach' this year the Reserve Bank gave a further directive to the banks saying that though they have given the three year norm, they would like to see that the branches are set up as quickly as possible.

As far as monitoring is concerned, it was stipulated that by 31st March, we should try and set up almost all the branches for which licences have been granted. Monitoring is going on regularly. The Governor of the Reserve Bank holds an Action Plan Meeting with the Chairmen of each bank every quarter. This system was introduced two year ago. Since then, Governor has been regularly holding these meetings every quarter where the achievements in relation to setting up of Branch Offices is also reviewed. In addition there are the meetings of the Regional Consultative Committees. These are statutory committees set up for a group of States under the Banking Regulation Act. These meetings are presided over by the Finance Minister himself. These meetings are regularly held."



1.16 When asked about the guidelines governing the banks which refused to open even a single branch out of the total branches allotted to them, the representative of the Ministry stated :

“It is true that sometime the banks do aspire that they should be able to have a larger network. But when it comes to the actual implementation, they themselves discover that they really do not have the strength at that point of time to undertake further commitments or make investments. Because as it is the resources are very highly constrained. We expect them to be honest about it.”

1.17 The representative of Reserve Bank of India added in this connection :

“We have taken a number of measures. As a matter of fact, we have constituted a task force, which consists of representatives of the R.B.I., NABARD and the State Government to monitor how the licences are utilised. They can take many decisions on the spot without making any reference to the Central Office. Where a delay has taken place in opening up of the branches, we send Chief Officers to those places and they discuss and decide places where the branches are to be opened.”

1.18 When pointed out that United Commercial Bank had failed to open as many as 19 rural branches for which licences were issued to it by RBI in the Seventh Five Year Plan the representative of RBI stated :

“We have gone into this matter. This Bank has some operation problems. In Himachal Pradesh, if a bank has got some constraints, it is a better decision not to ask them to open up a branch. We will allow other banks to open up their branches in those places. But this is only an exception. Once the places have been identified, they are required to open up branches within the time. In this case, I admit, this relaxation was given for a special reason. That is only an exception. But I can assure you that the Task Force, that is, the Committee which we have set up, is following meticulously the progress in the matter of opening of branches.”

1.19 When asked whether there was any exercise to involve MPs to give their opinion in a formal manner in opening of banks branches, the representative of the RBI stated :

“The arrangement today is that we have got district level Committees. There is committee called District Level Review Committee. This District Level Review Committee would monitor the problems in the

implementation of the district level plan. A decision was taken very recently that local M.Ps. and MLAs will be invited in the District Level Review Committee meetings. As an invitee they will participate in the deliberations. This, I think, will partly meet your point."

1.20. The representative of the Ministry added in this connection :

"There are proposals for setting up State Level Advisory Committees where some representatives from Member of Parliament and some Members from State Legislatures would be selected. This proposal is being mooted out. I am not giving a positive answer. But I am saying that there is a proposal for this."

1.21 The Committee regret to note that the performance of the banks in regard to the opening of new branches has not been satisfactory. There were inordinate delays in opening of the branches specially in rural areas after the issue of licences by Reserve Bank of India and a large number of licences were pending with various banks for more than six months. They were extremely unhappy to find that one of the banks did not open even a single rural branch in a State out of 19 licences issued to it during the Seventh Five Year Plan. The Committee stress the need for better monitoring of such cases and reallocation of licences to other banks after a prescribed period so that the people of those areas are not deprived of the much needed banking facility.

The Committee welcome the service area approach adopted by the banks for the opening of their branches and their operation. They would, however, urge the need for opening of new branches keeping in view the requirements of the people specially in hilly areas, which require special consideration in view of difficult physical terrain. The Committee would also like the Ministry to take steps for greater involvement of elected representatives of the people in the matter of selection of places for opening of new bank branches. They have been informed in this connection that a decision has been taken to invite local M.Ps. and M.L.As. to the District Level Review Committees and a proposal has been mooted to set up State level Advisory Committees which would have some representatives from Members of Parliament and Members of State Legislatures. The Committee hope that these State level Advisory Committees would be set up soon.

(ii)

*Working Group report on Lead Bank Scheme*

2.1 On 6 November, 1987, Prof. Narain Chand Parashar referring to the reply to Starred question No. 14 on 6 November, 1987, regarding

working group report on Lead Bank Scheme addressed the following Starred question to the Ministry of Finance :

- “(a) whether the Working Group on the Lead Bank Scheme has since finalised its report and submitted the same to Government ;
- (b) if so, the main recommendations made in the report and the Government decision on them ;
- (c) the likely date by which the implementation of the decision would be ensured ; and
- (d) if not, the reasons for delay and the likely date by which the report is likely to be submitted ?”

2.2 In reply to the question, the then Minister of State in the Ministry of Finance stated as follows :

“(a) No, Sir.

(b) and (c). Does not arise.

(d) The Working Group felt it necessary to undertake some field studies and to discuss issues at local levels. This took some time. The Group has almost completed its deliberations and is likely to submit its report in the near future.”

2.3 The reply to part (d) of the question was treated as an assurance by Lok Sabha Secretariat and the Ministry of Parliamentary Affairs. The assurance was to be implemented by 5 February, 1988.

2.4 The assurance was partly implemented by the Ministry by laying on the Table of the House Statement No. V (Item No. 37) on 5 August, 1988. In the implementation report the following information was given :

“The Working Group on Lead Bank Scheme has submitted its report to Government on 1.3.1988 and its main recommendations relating to block level planning are indicated below :—

1. It is desirable to devolve some of the responsibilities of the Lead Bank on an areal unit smaller than the district. A development block is considered to be the appropriate unit for this purpose.
2. There should be a block level committee for planning and monitoring credit deployment in the rural areas.
3. A bank branch should be made responsible for meeting the credit requirements of a group of villages which would constitute its ‘Service Area’.

4. It would be necessary to associate institutions such as the village panchayats with the preparation and implementation of block level credit plans.
5. The contents of Annual Action Plan may be broadened to include elements of perspective planning and enlarged plan may be known as the Annual Credit Plan.

The recommendations of the Working Group are under consideration of the Government in consultation with the Reserve Bank of India and the public sector banks."

2.5 The Ministry have, however, set to inform the House about the decision taken on the recommendations of the Working Group to fully implement the assurance.

2.6 The Committee regret to note that although the working group on Lead Bank scheme had submitted its report to Government on 1 March, 1988 the recommendations of the working group are still under consideration of Government in consultation with the Reserve Bank of India and the public sector banks. They see no justification for the delay of over one year in taking a decision on the recommendations of the working group. Such inordinate delay in taking a decision and in translating into concrete action the recommendations of the working group defeats the very purpose of its setting up. The Committee would, therefore, urge upon the Government to expedite the process and to fully implement the assurance which was given as far back as November, 1987.

(iii)

*Window Dressing by Scheduled Commercial Banks*

3.1 On 29 April, 1988 Prof. Narain Chand Parashar, M.P. addressed the following Unstarred Question No. 9035 to the Minister of Finance :

- (a) whether the Reserve Bank of India has issued any warning to scheduled commercial banks not to inflate their deposits by window-dressing of balance sheets ;
- (b) whether any banks have been found guilty of these mal-practices during past three years, if so, names of banks concerned ;
- (c) whether a sum of Rs. fifty crores was withdrawn from branches of the Punjab National Bank, State Bank of India, Punjab and Sind Bank in the very first week of 1988.

- (d) if so, whether any action has been taken by the Reserve Bank of India so as to ensure that bank managers do not indulge in practice of attracting short term deposits, which are managed in the last week of December to show progress in deposits and then disgorged in January of the following year ;
- (e) if so, the nature thereof ; and
- (f) if not, the reasons therefor ?”

3.2 In reply to the question, the then Minister of State in the Ministry of Finance stated as follows :

“(a) Yes, Sir.

(b) As per the information received from Reserve Bank of India, Balance Sheets of the Banks for the last three years were duly audited by statutory auditors and their opinion have exhibited a true and fair view of the affairs of Bank

(c), (d), (e) & (f). Reserve Bank of India has reported that it is looking into the matter with a view to find out whether these banks resorted to any window dressing of their deposit figures for the year 1987.”

3.3 The reply to parts (c), (d), (e) and (f) were treated as assurances by Lok Sabha Secretariat and Ministry of Parliamentary Affairs. The assurance was to be fulfilled by the Ministry of Finance by 28 July, 1988.

3.4 The Committee took oral evidence of the representative of the Ministry of Finance at their sitting held on 11 April, 1989 on the delay in fulfilling the assurance. During evidence the representative of the Ministry of Finance stated that Reserve Bank of India always discouraged window dressing and they had given separate direction of banks in this regard. There were some individuals here and there who fell to the temptation and they did it but then with the change of the financial year to 31st March, perhaps window dressing had lost its meaning because on 31st March anyway people had to draw money and the question of giving deposits at that time was not very bright. In this connection the representative of the Punjab National Bank added as follows :

“The Reserve Bank of India issued instructions in 1976 to the effect that this practice of window dressing should not be permitted. On the basis of the instructions of the Reserve Bank of India, we have during December, 1986 to December, 1988 issued six circulars and are very

carefully monitoring the observance of the instructions of the Reserve Bank of India. However some spurt towards half year is bound to be there. There is credit of half-yearly interest in the Savings Bank Fixed Deposits and other accounts. Then some deposit mobilisation efforts are also undertaken by the managers. In some cases they come to fruition at the close of the year. Certain institutions also give money at the close of the year when they have to issue bonds or securities. They prefer certain amount of deposits to remain with the banks. They actually do not need the entire money immediately. Sometimes short-term deposits are offered by certain institutions and private companies themselves. In the normal course, we accept this deposit, for temporary period. Notwithstanding all this, we have been emphasising for the last many years that, any particular effort which is only to result in window dressing should be discouraged and suitable disciplinary action is taken against those persons who are not behaving properly. On the basis of December, 1987 data, we did make enquiries which revealed that some people did some kind of window dressing. We have taken action against them and cautioned them."

3.5 The representative of the R.B.I. stated in this connection that they had been telling the banks from time to time that window dressing should not be permitted. They had taken measures. They had told them that they would not judge their performance on the basis of their deposits on the 31st December or March. They would take average figure. That would have an effect. They were telling Banks to take action against the concerned persons who resorted to window-dressing. The State Bank of India had also mentioned to us about that. In fact they had warned the officer in that regard. Same was the case as far as the Central Bank was concerned. They had inflicted punishment on the branch manager for resorting to window dressing. Since they were taking a serious view of that matter and took action they would give up this practice. Of course, some managers were resorting to that practice. Since they had contemplated action, such type of activity would gradually decline.

3.6 The assurance was implemented by the Ministry by laying statement No. X (item No. 14) on the Table on Lok Sabha on 20 July, 1989.

3.7 The Committee regret to note the delay of over one year in fulfilment of the assurance. The implementation statement laid on the Table of the House confirms the fact that some of the Commercial banks had been resorting to window dressing inspite of the instructions issued by the Reserve Bank of India. The Committee have been assured that suitable action had been taken against the delinquent officers. They hope that measures would be taken by

**Government to ensure that the nationalised banks do not indulge in this practice in future and the accounts of the banks depict a true and fair picture of their state of affairs.**

(iv)

*Amendments to FERA*

**4.1 On 14 November, 1986, Shri Krishna Singh M.P. addressed the following Starred Question No. 164 to the Minister of Finance :—**

- “(a) whether Government’s attention has been drawn to the suggestion reportedly made by the Association of Chamber of Commerce and Industry of India for bifurcation of contents of the Foreign Exchange Regulation Act into two separate pieces of legislation, one dealing with the currency movements and the other dealing with foreign investments in India and technology imports, etc. ; and
- (b) if so, the Government’s reaction thereto ?”

**4.2 In reply to the question, the Minister of State in the Ministry of Finance (Shri Janardhana Poojary) stated as follows :**

- “(a) Yes, Sir.
- (b) The proposal has been received very recently. It is too early to offer any comments thereon.”

**4.3 Part (b) of the reply to the question was treated as an assurance by Lok Sabha Secretariat and the Ministry of Parliamentary Affairs. The assurance was to be implemented by 13 February, 1987.**

**4.4 On 4 March, 1987, Shri Balasaheb Vikhe Patil addressed the following Unstarred Question No. 1237 on the same subject to the Minister of Finance :**

- “(a) whether the Confederation of Engineering Industry has submitted any proposal to Government to simplify and streamline the Foreign Exchange Regulation Act ;
- (b) if so, the details thereof ; and
- (c) Government’s reaction thereon ?”

**4.5 In reply to the question, the then Minister of State in the Ministry of Finance (Shri Brahm Dutt) stated as follows :**

“(a), (b) & (c) The Confederation of Engineering Industry has made certain suggestions to modify Exchange Central Regulations. These are being examined.”

4.6 The above reply to the question was treated as an assurance by the Lok Sabha Secretariat and Ministry of Parliamentary Affairs. The assurance was to be implemented by 3 June, 1987.

4.7 Both the assurances given in reply to SQ. No. 164 on 14 November 1986 and USQ. No. 1237 on 4 March, 1987 have not been implemented by the Ministry so far.

4.8 Explaining the reasons for the delay in the implementation of both the assurances, the Ministry of Finance in a written note submitted to the Committee stated as follows :

“A Working Group was constituted by the Government under the Chairmanship of Dr. A. Ghosh, Deputy Governor of the Reserve Bank of India to go into the various aspects of the implementation of the Foreign Exchange Regulation Act, 1973 (FERA). The Group *inter-alia*, recommended certain amendments to the Act. While these proposals were under consideration of the Government in 1986, organisations like Federation of Indian Chambers of Commerce and Industry, Associated Chamber of Commerce and Industry, Confederation of Engineering Industry, etc. came up with suggestions to amend the FERA and the policies and procedures followed thereunder. Some of the suggestions made were of far reaching implications.

The recommendations made by the Working Group and the suggestions received from the trade organisations etc. have been considered in a series of meetings. The matter is, however, complex and examination of the relevant implications is necessarily time-consuming. Since legal and administrative feasibility of some of the proposals is still under examination and no final view has yet been arrived at ; it is difficult at this stage to commit any specific time frame within which Government's views in the matter can be finalised.”

4.9 While seeking extension of time upto 14 February, 1990 for implementing the assurance given in reply to Starred Question No. 164 on 14 November, 1986, the Ministry of Finance took the following plea in March, 1989 for granting them extension of time for fulfilment of the assurance :

“This Deptt. is exploring from legal angle the feasibility of carrying out amendments of certain provisions of FERA 1973. In other words, it is



yet to be decided, with the approval of the Cabinet, whether amendment of FERA is to take place at all. Once the proposals are found legally feasible, legislation will thereafter be framed in consultation with the Department of Legal Affairs. This is a long term process. It is difficult to visualise at this stage the time required for this purpose. In any case, a minimum of one year seems to be a must."

4.10 During evidence of the representatives of the Ministry of Finance in this connection at their sitting held on 11 April, 1989, the representative of the Ministry of Finance stated :

"The assurances had not been fulfilled yet because the decision was not being taken by the Government on the simplification of the FERA. There have been a number of discussions on this, but because the case is pending in the Supreme Court for a long time, the Government have thought that it may be better to wait for its outcome before amending the Act. Otherwise the case might be affected."

4.11 While seeking extension of time, upto 4 June, 1990 for implementing the assurance given in reply to Unstarred Question No. 1237 on 4 March, 1987, the Ministry of Finance took the following plea in November, 1989 for granting them extension of time for fulfilment of the assurance :

"The feasibility of suggestions for amending the Foreign Exchange Regulation Act, 1973 is being examined from legal angle. The proposal have been considered at a series of meetings. The matter is, however, complex and relevant implications are necessarily time-consuming. Since legal and administrative feasibility of some of the proposals is still under examination and no final view has yet been arrived at, it is difficult at this stage to commit any specific time frame within which Government's views in the matter can be finalised. However, a minimum of six months seems to be a must."

4.12 The Committee regret to note that although the question of amendments to FERA has been engaging the attention of Government for a pretty long time and the working group set up for the purpose had submitted its report in 1986 itself, no final decision had been taken in the matter so far. The delay of about three years even after the matter has been considered in depth by the working group can hardly be justified. The Committee would stress the need for expeditious decision in this regard and to fulfil the assurances which have been pending for more than two years.

(v)

*Working Group on private financial unincorporated bodies*

5.1 On 27 November, 1987, Shrimati Madhuree Singh, M.P. addressed the following Unstarred Question No. 3290 to Minister of Finance :

“(a) whether the Working Group set up by the Indian Banks’ Association on private financial unincorporated bodies has submitted the recommendations ; and

(b) if so, the details thereof and the reaction of Government thereto?”

5.2 In reply to the question the then Minister of State in the Ministry of Finance (Shri Janardhana Poojary) stated as follows :

“(a) Reserve Bank of India has reported that the Working Group to study the impact of private financial unincorporated bodies (PFUBS) constituted by the Indian Banks’ Association has not yet submitted its report to the Reserve Bank of India.

(b) Does not arise.”

5.3 The reply to part (a) of the question was treated as an assurance by Lok Sabha Secretariat and Ministry of Parliamentary Affairs. It was to be implemented by Ministry of Finance by 26 February, 1988.

5.4 The Committee took the oral evidence of the representatives of the Ministry of Finance at their sitting held on 11 April, 1989. Asked about the reasons for the delay in the implementation of the assurance, the representatives of the Ministry of Finance stated that it took some time because they had to collect information from the Reserve Bank which in turn had to collect the information from the States. Therefore extension of time upto 30 April 1989 was sought. The implementation statement was sent to the Ministry of Parliamentary Affairs on 31 March, 1989.

5.5 However, the assurance was implemented only on 9 May, 1989 by laying Statement No. XI (Item No. 14) in Lok Sabha.

(vi)

*Measures to cover foreign exchange fluctuation risk*

6.1 On 15 April, 1989, Shrimati Basavarajeswari, M.P. addressed the following Unstarred Question No. 7105 to the Minister of Finance :

“(a) whether a scheme to cover foreign exchange fluctuation risk,

devised by financial institutions is being considered by Government ;

- (b) if so, the main features of the scheme ;
- (c) by what time the same is likely to be introduced ; and
- (d) to what extent this measure will help to cover foreign exchange fluctuation ?”

6.2 In reply to the question the Minister of State in the Ministry of Finance (Shri B.K. Gadhvi) stated as follows :

“(a) Yes, Madam.

(b) to (d). Details are being worked out.”

6.3 The reply to parts (b) to (d) of the question was treated as an assurance by Lok Sabha Secretariat and Ministry of Parliamentary Affairs. The assurance was to be implemented by the Ministry of Finance by 17 July, 1988.

6.4 The Committee took the oral evidence of the representatives of the Ministry of Finance at their sitting held on 11 April, 1989. Explaining the reasons for the delay in the implementation of the assurance, the representative of the Ministry of Finance stated that different national institutions and the business and industry had to be consulted before the scheme could be finalised. The scheme has however been implemented w.e.f. 1st April, 1989 and would be operated by Industrial Development Bank of India.

6.5 The assurance was implemented by the Ministry only on 9 May, 1989 by laying Statement No. IX (Item No. 27) on the Table of Lok Sabha.

(vii)

*Setting up of Small Industries Development Bank*

7.1 On 6 May, 1988, Shri V. S. Krishna Iyer, M.P. addressed the following Unstarred Question No. 9980 to the Minister of Finance :

- “(a) whether there is any proposal before Government to set up Small Industries Development Bank of India with the share capital of Rs. two hundred fifty crore in Bangalore city ;
- (b) whether any place has been located for the establishment of the proposed bank ;

- (c) the steps taken by Government for early setting up of the bank ;  
and
- (d) the time by which the bank is likely to be set up ?”

7.2 In reply to the question, the Minister of State in the Ministry of Finance (Shri Eduardo Falerio) stated as follows :

“(a) to (d) : It has been decided to establish a Small Industries Development Bank of India. The New Bank would be a subsidiary of the Industrial Development Bank of India. The equity of the new Bank would be Rs. 250 crores. Suitable steps for setting up of the Bank are being taken.”

7.3 The above reply to the question was treated as an assurance by Lok Sabha Secretariat and the Ministry of Parliamentary Affairs. The assurance was to be implemented by Ministry of Finance by 5 August, 1988.

7.4 While seeking extension of the time upto 6 June, 1989 for fulfilling the assurance, the Ministry of Finance took the following plea in April, 1989:

“The proposal for setting up of the Small Industries Development Bank (SIDBI) had to be considered in consultation with the concerned Ministries/Depts. as also with the IDBI/RBI/NABARD. As SIDBI is proposed to be set up under an Act of Parliament, steps have been taken for drafting a Bill in consultation with the Ministry of Law for introduction in Parliament.”

7.5 In their evidence before the Committee on 11 April, 1989, on being asked about the delay in the implementation of the above assurance, the representative of the Ministry of Finance stated that the Cabinet passed the scheme very recently and a draft legislation was being prepared in consultation with the Ministry of Law. It was proposed to introduce this legislation in the current Session of Parliament.

7.6 The Assurance was implemented by the Ministry by laying a Statement No. X (Item No. 16) on 20th July, 1989.

7.7 The Committee regret to note that in the foregoing three instances the implementation of the assurances has taken place after the delay of more than one year as against the normal period of three months. They would stress the need for taking suitable measures by Government to accelerate the decision making process and to ensure thereby the speedy implementation of the assurances.

## CHAPTER II

### REVIEW OF PENDING ASSURANCES PERTAINING TO SEVENTH AND EIGHTH LOK SABHA

8.1 During the Seventh Lok Sabha, 7,231 assurances were culled out from Lok Sabha Debates for implementation by Government. Of these 7,226 assurances have since been implemented, leaving a balance of 5 assurances to be implemented.

8.2 During the First to Fourteenth Sessions of Eighth Lok Sabha 9022 assurances were culled out. Out of them, 7477 have since been implemented, thus leaving a balance of 1545 assurances pending implementation.

8.3 The above figures take into account the latest statements of implemented assurances laid on the Table of Lok Sabha by the Minister of Parliamentary Affairs on 29 December, 1989.

8.4 A statement showing Session-wise the position of assurances pertaining to Seventh and Eighth Lok Sabha pending implementation by the Government, is given in Appendix.

8.5 The Committee would like the Ministries/Departments concerned to make a critical analysis of these assurances so as to implement them without further loss of time.

NEW DELHI  
8 February, 1990  
19 Magha, 1911 (Saka)

DR. VIJAY KUMAR MALHOTRA,  
Chairman,  
Committee on Government Assurances.

## APPENDIX

(Vide Para No. 8.4 of the Report)

(i) *Statement showing the position of the assurances of Seventh Lok Sabha pending implementation as on 29 December, 1989.*

Session	No. of Assurances culled out	No. of Assurances implemented/dropped	No. of Assurances out standing
First Session, 1980	26	26	—
Second Session, 1980	196	196	—
Third Session, 1980	548	548	—
Fourth Session, 1980	333	333	—
Fifth Session, 1981	793	793	—
Sixth Session, 1981	373	373	—
Seventh Session, 1981	418	418	—
Eighth Session, 1982	798	798	—
Ninth Session, 1982	429	429	—
Tenth Session, 1982	315	315	—
Eleventh Session, 1983	861	861	—
Twelfth Session, 1983	433	433	—
Thirteenth Session, 1983	424	424	—
Fourteenth Session, 1984	956	953	3
Fifteenth Session, 1984	328	326	2
<b>Total</b>	<b>7,231</b>	<b>7,226</b>	<b>5</b>

## APPENDIX

(Vide Para No. 8.4 of the Report)

(ii) Statement showing the position of pending assurances of Eighth Lok Sabha pending implementation as on 29 December, 1989.

Session	No. of assurances culled out	No. of assurances implemented/dropped	No. of assurances outstanding
1st Session	19	19	—
2nd Session	430	430	—
3rd Session	323	323	—
4th Session	357	352	5
5th Session	774	756	18
6th Session	478	467	11
7th Session	477	465	12
8th Session	784	752	32
8th (Part-II) Session	593	542	51
9th Session	775	667	108
10th Session	1208	1025	183
11th Session	571	467	104
12th Session	541	390	151
13th Session	1140	644	496
14th Session	552	178	374
<b>Total</b>	<b>9022</b>	<b>7477</b>	<b>1545</b>

# MINUTES

## TWELFTH SITTING

*Minutes of the sitting of the Committee on Government Assurances  
(1988-89) held on 11th April, 1989 in Room No. 53, Parliament  
House, New Delhi.*

The Committee met on Tuesday, 11th April, 1989 from 15.00 hours to 17.00 hours.

### PRESENT

Prof. Narain Chand Parashar—*Chairman*

### MEMBERS

2. Shri L. Balaraman
3. Shri Prabhu Lal Rawat
4. Shri Manik Reddy
5. Shri Ramashray Prasad Singh

### SECRETARIAT

1. Shri C.K. Jain—*Joint Secretary*
2. Shri S.C. Gupta—*Deputy Secretary*

### WITNESSES EXAMINED

1. Shri G. K. Arora—*Finance Secretary*
2. Shri V. P. Sawhney—*Additional Secretary (Banking)*
3. Shri Matreshwar Jha—*Joint Secretary*
4. Shri R. C. Satyawadi—*Joint Secretary*
5. Shri A.K. Aggarwal—*Joint Secretary*
6. Shri J.L. Bajaj—*Joint Secretary*
7. Shri S.C. Tripathi—*Joint Secretary*
8. Shri A. Ghosh—*Deputy Governor, Reserve Bank of India*
9. Shri J. S. Varshaneya—*C.M.D., Punjab National Bank*



10. Shri M.C. Chahal—*CMD, Punjab and Sind Bank*
11. Shri M.N. Majumdar—*CGM, State Bank of India*
12. Shri N.D. Parmeshwaran—*Joint Chief Officer, RBI*
13. Shri B. Subramanian—*Joint Chief Officer, RBI*
14. Shri S.C. Girotra—*Zonal Manager, UCO Bank*

2. The Committee took evidence of the representatives of the Ministry of Finance (Department of Economic Affairs) regarding non-implementation of the assurances in replies to USQ. No. 2247/1.8.86, USQ. 3227/8.8.86, SQ. 164/14.11.86, USQ. 1237/4.3.87, SQ. 14/6.11.87, USQ. 3290/27.11.87, USQ. 7105/ 8.4.88, USQ. 9035/29.4.88, USQ. 9980/6.5.88 and USQ. 235/4.11.88.

3. At the outset the Chairman drew the attention of the witnesses to Direction 58 of the Directions by the Speaker whereunder their evidence could be treated as public and was liable to be published unless the witnesses specifically desired that all or any part of the evidence given by them was to be treated as confidential.

4. Out of the times listed for discussion one was the assurance relating to SQ. No. 14, dated 6.11.1987 was regarding working group report on Lead Bank Scheme. The implementation report was sent on 27.6.1988. The major outcome of this report was the service area approach and it was being implemented with effect from 1st April, 1989. Another assurance was regarding Unstarred Question No. 3227, dated 8.8.86 regarding issue of licences for opening of bank branches. The implementation report for it was sent on 11.11.86. There was no delay in fulfilling it. Then there was Unstarred Question No. 2247, dated 1.8.86 regarding relaxation to Hill States or regions under Branch Licencing Policy. Implementation report for this was sent on 20th October, 1986 and laid on the Table of the House on 11.11.86. In this case also, there was no delay.

5. There was another Unstarred Question No. 9035, dated 29th April, 1988 relating to window dressing by scheduled Commercial Banks. The implementation report for it was sent on 21st March, 1989. There was some delay in fulfilling this assurance because collection of information from different banks took some time.

6. Assurance regarding Unstarred Question No. 235, dated 4th November, 1988 regarding guidelines for opening of new regional offices of banks was fulfilled on 19th January, 1989. There was no delay.

7. Unstarred Question No. 3190, 30th November, 1987 was regarding working group on private financial unincorporated bodies. The implementation report was sent on 31st March, 1989. It took some time because they had to collect information from the Reserve Bank which in turn had to collect the information from the States. Therefore extension of time upto 30th April, 1989 was sought and the assurance was fulfilled on 31st March, 1989.

8. Unstarred Question No. 9980 dated 5.5.88 dealt with setting up of Small Industries Development Bank. This assurance was pending and the Cabinet passed the scheme very recently. A draft legislation was being prepared in consultation with the Ministry of Law. It was proposed to introduce this legislation in the current Session of Parliament.

9. As regards the Starred Question No. 14 of 6.11.87, there was one other assurance regarding the amendment to FERA Act. The assurance has not been fulfilled yet because the decision was not being taken by the Government on the simplification of the FERA. There have been a number of discussions on this, but because the case is pending in the Supreme Court for a long time, the Government have thought that it may be better to wait for its outcome before amending the Act. Otherwise the case might be affected.

10. There was another Unstarred Question No. 7105 dated 18.4.88 which dealt with the scheme to cover the foreign exchange risk. This scheme had been implemented w.e.f 1st April, 1989. The delay in implementing the scheme was because different national institutions and the business and industry had to be consulted before the scheme could be finalised.

*Assurance contained in USQ. No. 2247 on 1.8.86 regarding relaxation to Hilly areas*

11. Regarding the relaxation of norms for opening branches in hilly areas, the representative of the Ministry of Finance stated as under :

There are many instances where we have opened branches for considerations other than distance and so on. As it is, norms are relaxed. The Deputy Governor mentioned that some viability exercise has also to be undertaken. In your State Himachal, the average population per branch office is six thousand. But there may be some other places where there may be distortions. Our objective is that the most difficult case should be tackled with determination. The other thing is making branches more proficient in their capability to deliver services, not just

mere deposits and simple credits. They should have greater specialities, whether it is horticulture, agriculture, pisciculture and so on."

*Assurance contained in SQ. No. 14 on 6 November, 1987 regarding working Group Report on Lead Bank Scheme*

12. When asked about the practical difficulties involved in the implementation of the concept of 'Service Area Approach' mentioned in the Implementation Report relating to SQ. No. 14 on 6 November, 1987, the representative of the Ministry stated that, in fact Service Area Approach and its implementation was one of the items which the Finance Minister had announced in the Budget Speech for the previous year. In fact RBI and other Banks had been working on this subject for a long time. A very detailed kind of understanding was brought on this particular programme and for almost a year a training programme had also been launched to make the Branch Managers and all the functionaries in the rural areas aware of the concepts involved. An analysis was made and nearly 80 percent of the service areas which were earmarked had ten to fifteen villages.

13. When asked to define a rural, urban and a semi urban branch the representative of the Ministry replied that a town which had a population of more than 10,000 was treated as a semi urban area. A town which had a population of more than one lakh was treated as an urban area. Thus in a State like Himachal Pradesh, Shimla would be the only urban area and the rest semi urban areas as they had not got any commercial activity. But there is no misuse of credit. Most of the lead bank officers are having close monitoring of the work which is progressing.....In the case of rural areas, new branches have to be opened. In the rural areas, branches should be distanced within ten kilometers. One branch should cover an area of two hundred sq. kms. These are the parameters which we have kept in view. All taken together, once this programme is completed, almost all villages will be well served by the banks.

14. Asked about the revenue jurisdiction of a branch operating in border villages, the representative of the Ministry stated :

"We don't follow that branches which are located at a particular place have to operate within a district or within a State also for that matter. Because operations of a bank are on all India basis.

Take for example Bhadohi. This may be in Assam. There is a large export of carpet from that place. So the banks there will have to be better staffed to take care of the needs of export, etc. So depending on the area and its needs we have to provide certain facilities. We don't

recognise that a branch located in a particular district should not extend its operations to the neighbouring district.

With regard to anti-poverty programme they have certain cooperation and coordination with DRDA and so on and therefore it would not be convenient for a branch to interfere with another district branch. But I think there may be some situations which overlap. To that extent there is a give and take approach between the banks "

*Assurances relating to opening of bank branches  
USQ. 3227/8.8.86 and USQ. 2247/1.8.86*

15. When asked to state the *guidelines and the norms* for opening new branches of the banks, the representative of the Ministry stated as under :

"The broad guidelines are that the Reserve Bank of India restricts opening new branches in the urban areas where there are sufficient number of branches. As far as the semi-urban areas are concerned, some of them have become very good growth centres because commerce, trade and industrial activities have increased there. They require no less sophistication of a good branch like that in an urban area. Depending upon the activities of the place, branches will be set up as per the norms of the RBI."

16. It was added that as of now our objective is that bank offices in a village should be for a population of 17,000 persons and that a bank office should be available in about 10 Kms. from a village.

17. The representative of Reserve Bank of India added :

"The whole idea or the concept and approach will be to see that there is orderly disbursement of credit.....Normally, the guidelines are that one branch should take care of 15 to 25 villages.....We have told all the States to give us the list of further branches to be opened. From many States, we have received the information as to where we are going to allot the branches. One problem may arise. These branches will have to be targetted. The RLPC provides finance to the target groups. Sponsored banks should take care of such groups. If no sponsored bank is nearby, the commercial bank nearby will take care of them.....We feel that the way the whole plan has been evolved right from the beginning, the village profile, the training and follow-up, etc. will improve definitely in the long run. But as I have mentioned, there can be some cases where you will find that the branches are not in a position to provide the required assistance....."

*Time limit for opening of Branches*

18. Referring to the report of Estimates Committee, the Committee pointed out that as many as 592 licences were pending with various banks for opening branches in rural and urban areas for more than six months. The representative of the Ministry stated as follows :

“I would only like to submit that the bank licensing system works over a certain period. In a period of three years for which licences are granted by the Reserve Bank of India, banks are expected to set up those branches. Some time is required to scout around the area for buildings and other requirements. Of course, it would be the desire of all that once a licence has been granted, the branch would start functioning as quickly as possible. But the period of six months which has been referred to is only an administrative expectation that one should try and set up a new branch office within a period of six months. There is no statutory requirement as such that once the licence is given, the branch should be set up within six months failing which, we should go back to get the period extended and so on.

I will give you the figures for the years 1985, 1986, 1987 and 1988 and you yourself can see the pace at which new offices have been set up in these years. Because of the ‘service area approach’ this year the Reserve Bank gave a further directive to the banks saying that though they have given the three year norm, they would like to see that the branches are set up as quickly as possible.

As far as monitoring is concerned, it was stipulated that by 31st March, we should try and set up almost all the branches for which licences have been granted. Monitoring is going on regularly. The Governor of the Reserve Bank holds an Action Plan Meeting with the Chairmen of each bank every quarter. This system was introduced two years ago. Since then, the Governor has been regularly holding these meetings every quarter where the achievements in relation to setting up branch offices is also reviewed. In addition there are the meetings of the Regional Consultative Committees. These are statutory Committees set up for a group of States under the Banking Regulation Act. These meetings are presided over by the Finance Minister himself. These meetings are regularly held.”

19. When asked about the guidelines governing the banks which refused to open even a single branch out of the total branches allotted to them, the representative of the RBI stated :

"It is true that sometimes the banks do aspire that they should be able to have a large network. But when it comes to the actual implementation, they themselves discover that they really do not have the strength at that point of time to undertake further Commitments or make investments. Because as it is the resources are very highly constrained. We expect them to be honest about it.\*\*\*"

\*\*\* We have taken a number of measures. As a matter of fact, we have constituted a task force, which consists representatives of the RBI, NABARD and the State Government to monitor how the licences are utilised. They can take many decisions on the spot without making any reference to the Central Office. Where a delay has taken place in opening up of the branches, we send Chief Officers to those places and they discuss and decide places where the branches are to be opened."

20. When pointed out that United Commercial Bank which had refused to open as many as 19 rural branches for which licences were issued to it by RBI the Seventh Five Year Plan the representative of the RBI stated :

"We have gone into this matter. This bank has some operation problems. In Himachal Pradesh, if a bank has got same constraints, it is a better decision not to ask them to open up a branch. We will allow other banks to open up their branches in those places. But this is only an exception. Once the places have been identified, they are required to open up branches within the time. In this case, I admit, this relaxation was given for a special reason. That is only an exception. But I can assure you that the Task Force, that is, the Committee which we have set up, is following meticulously the progress in the matter of opening of branches."

21. Regarding the opening of branches in Lahaul and Spiti, the representative of the Ministry stated as under :

"We will ensure that the branches are opened there. It is true that sometimes the banks do aspire that they should be able to have a larger network. But when it comes to the actual implementation, they themselves discover that they really do not have the strength at that point of time to undertake further commitments or make investments. Because as it is the resources are very highly constrained. We expect them, to be honest about it."

22. The representative of the RBI in this regard added that in some places branches could not be opened because of the lack of basic infrastructure. When asked whether there was any exercise for involving MPs to give their opinion in a formal manner on banking matters, the representative of the RBI stated as under :

“The arrangement today is that we have got district level Councils. There is another committee called District Level Review Committee. This District Level Review Committee would monitor the problems in the implementation of the district level plan. A decision was taken very recently that local M.Ps and MLAs will be invited in the District Level Review Committee meetings. As an invitee they will participate in the deliberations. This, I think, will partly meet your point.”

23. The representative of the Ministry added in this connection :

“There are proposals for setting up State Level Advisory Committee where some representatives from Member of Parliament and some Members from State Legislatives would be selected. This proposal is being mooted out. I am not giving a positive answer. But I am saying that there is a proposal for this.”

*Assurance contained in USQ. No. 9035 on 29.4.88 regarding window dressing*

24. When asked to clarify the reply given to USQ. No. 9035/29.4.88 regarding window dressing the representative of the Ministry of Finance stated that Reserve Bank of India always discouraged window dressing and they had given separate direction to banks in this regard. There were some individuals here and there who fell to that temptation and they did it but then with the change of the financial year to 31st March, perhaps window dressing had lost its meaning because on 31st March anyway people had to draw money and the question of giving deposits at that time was not very bright. In any case, earlier they used to put it on 31st December. In this connection the representative of the Punjab National Bank added as follows :

“The Reserve Bank of India issued instructions in 1976 to the effect that this practice of window dressing should not be permitted. On the basis of the instructions of the Reserve Bank of India, we have during December, 1986 to December, 1988 issued six circulars and are very carefully monitoring the observance of the instructions of the Reserve

Bank of India. However some spurt towards half year is bound to be there. There is credit of half-yearly interest in the Saving Bank Fixed Deposits and other accounts. Then some deposit mobilisation efforts which are also undertaken by the managers. In some cases, they come to fruition at the close of the year. Certain institutions also give money at the close of the year, when they have to issue bonds or securities. They prefer certain amount of deposits to remain with the banks. They actually do not need the entire money immediately. Sometimes short-term deposits are offered by certain institutions and private companies themselves. In the normal course, we account this deposit, for temporary period. Notwithstanding all this, we have been emphasising for the last many years that any particular effort which is only to result in window dressing should be discouraged and suitable disciplinary action is taken against those persons who are not behaving properly. On the basis of December, 1987 data, we did make enquiries which revealed that some people did some kind of window dressing. We have taken action against them and cautioned them."

25. Regarding window-dressing the representative of the RBI stated that they had been telling the banks from time to time that window-dressing should not be permitted. They had taken measures. They had told them that they would not judge their performance on the basis of their deposits on the 31st December or March. They would take average figure. That would have an effect. They judged the performance of the bank on the basis of the average growth of deposits in banks on a particular date.

26. Secondly, there were some difficult cases also. Many institutions had issued public bonds. They wanted to keep their business open as on 31st December of the year. They questioned us as to how could they refuse the deposits. The fact is that the banks had deliberately taken measures to resort to window-dressing. They had taken up the matter with them. They were very serious with them as far as that issue is concerned. They did detain accounts and credit the deposit to reaccount. They did not want to refuse the deposits. They kept it in the current account. They were telling them to take action against the concerned persons who resorted to window-dressing. The State Bank of India had also mentioned to us about that. In fact they had warned the officer in that regard. Same was the case as far as the Central Bank was concerned. They had inflicted punishment on the branch managers for resorting to window dressing. Since they were taking a serious view of that matter and took action, they would give this practice. Of course, some managers were resorting to that practice. Since they had contemplated action, such type of activity would gradually decline.

27. The Committee then adjourned.



## MINUTES

### Sixth Sitting

Minutes of the sitting of the Committee on Government Assurances (1989-90) held on 4 October, 1989 in Committee Room 'A' Parliament House Annexe, New Delhi.

The Committee met on Wednesday, 4 October, 1989 from 16.00 hours to 16.20 hours.

### PRESENT

Prof. Narain Chand Parashat—*Chairman*

### MEMBERS

2. Shri L. Balaraman
3. Shri Somjibhai Damor
4. Shri Kadambur M.R. Janarthanan
5. Shri Bapulal Malviya
6. Shri Krishan Pratap Singh
7. Shri Prabhu Lal Rawat
8. Shri Dharamvir Singh Tyagi
9. Shrimati Shanti Devi
10. Shri Kamla Prasad Singh
11. Shrimati Usha Thakkar

### SECRETARIAT

1. Shri C.K. Jain—*Joint Secretary*
2. Shri S.C. Gupta—*Director*
3. Shri Jyoti Prasad Jain—*Under Secretary*

The Committee took up for consideration the draft Twenty Fourth Report and decided to consider it further in their next sitting.

The Committee then adjourned.

## MINUTES

*Minutes of the first sitting of the Committee on Government Assurances held on 8 February, 1990 in Committee Room No. 'A' Parliament House Annexe, New Delhi.*

The Committee met on Thursday, 8 February, 1990 from 13.50 hours to 17.00 hours.

### PRESENT

Dr. Vijay Kumar Malhotra—*Chairman*

### MEMBERS

2. Smt. Subhasini Ali
3. Shri Bhajaman Behera
4. Shri Het Ram
5. Shri Mahabir Prasad
6. Shri Mahadeepak Sing
7. Shri Debi P. Paul
8. Shri Amar Roy Pradhan
9. Shri C. Srinivasan
10. Shri Ramji Lal Suman

### SECRETARIAT

1. Shri C.K. Jain—*Joint Secretary*
2. Shri S.C. Gupta—*Director*
3. Shri Jyoti Prasad—*Under Secretary*

At the outset, the Chairman congratulated the Members on their nomination to the Committee and extended them a warm welcome. He also briefly outlined the background, scope and functions of the Committee.

2. The Committee considered and adopted the draft first Report.

3. Noting that the representatives of the Ministry of Finance during their evidence before the Committee on 11 April, 1989, had made certain statements about the working of District Level Review Committees as referred to in paragraph 1.19 of the draft first Report, the Committee desired that the Ministry of Finance be asked to furnish a detailed note on the working of the District Level Review Committees containing *inter-alia* information about the number of meetings of these Committees held, State-wise, MPs, MLAs, invited to these meetings, etc.

5. The Committee then adjourned to meet again on Friday, the 9 February, 1990 at 11.00 hrs.

**©1990 BY LOK SABHA SECRETARIAT**

**PUBLISHED UNDER RULE 382 OF THE RULES OF PROCEDURE AND  
CONDUCT OF BUSINESS IN LOK SABHA (SEVENTH EDITION) AND  
PRINTED BY M/s. VINDHYA VASINI PACKAGINGS, DELHI**