

Industrial Development Bank of India (IDBI), the working Group was given the following terms of reference:

1. To review the role, structure and operations of DFIs and commercial banks in emerging operating environment and to suggest changes.
2. To suggest measures for bringing about harmonisation in the lending and working capital finance by banks and DFIs.
3. To examine whether DFIs could be given increased access to short term funds and the regulatory framework needed for the purpose.
4. To suggest measures for strengthening of organisation, human resources, risk management practices and other related issues in DFIs and commercial banks in the wake of Capital Account Convertibility.
5. To make such other recommendations as the Working Group may deem appropriate.

(c) to (e) The Working Group submitted its summary recommendation to RBI on April 24, 1998. Gradual move towards universal banking and evolving an enabling regulatory framework for this purpose, exploring the possibility of gainful mergers between banks and banks and financial institutions, both strong with weak and two strong entities, developing a function specific regulatory framework and a risk based supervisory framework, establishment of a 'super regulator' to supervise and co-ordinate the activities of multiple regulators, speedy implementation of legal reforms in debt recovery area, consolidated supervision of banks and financial institutions, bringing down cash reserve ratio to international standards and doing away with statutory liquidity ratio and concessional lending are some of the major recommendations of the Working Group. The Working Group has also made several interim recommendations towards achieving co-ordination and harmonisation of the lending policies of banks and financial institutions before they move towards universal banking. The Working Group has also made several recommendations for improving the organisational efficiency and risk management strategies bringing information technology to international standards and development of human resource. RBI is examining the recommendations of the Working Group.

#### Manager of Allahabad Bank, Calcutta

2647. SHRI SUSHIL KUMAR SHINDE : Will the Minister of FINANCE be pleased to state :

(a) whether a Senior Manager of the Allahabad Bank in Calcutta was found involved in serious irregularities involving crores of rupees of loss to the Bank;

(b) if so, the details of the findings of inquiry conducted, if any, in the matter; and

(c) the action taken by the Government thereon?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) Reserve Bank of India have reported that a series of incidents of fraud have been committed by a Senior Manager and four other officials of Allahabad Bank at Southern Avenue Branch, Calcutta.

Allahabad Bank has lodged a criminal complaint on 6.3.1996 with CBI who have initiated investigations. The Senior Manager and four other officials involved in the irregularities have been placed under suspension and disciplinary action against them have been initiated.

[Translation]

#### Insurance of Livestock

2648. SHRI FAGGAN SINGH KULESTE : Will the Minister of FINANCE be pleased to state :

(a) the number of Insurance Companies besides Life Insurance Corporation working in Distt. Mandla of Madhya Pradesh and the locations of the regional offices thereof;

(b) whether those Insurance Companies are under the control of the Government of India and if so, the system of working thereof;

(c) whether the insurance of livestock being provided under IRD is done by those Insurance Companies and if so, the procedure of doing insurance thereof;

(d) the time taken in payment of insured amount by these Insurance Companies after the death of animals and the procedure adopted for the same;

(e) the number of cases pending in these Insurance Companies and since when such cases are pending; and

(f) the steps taken by the Companies for speedy disposal of such cases?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) National Insurance Company Limited (NICAL) which is subsidiary of the General Insurance Corporation of India (GIC) has a Branch Office at Mandla District in Madhya Pradesh besides a Branch of Life Insurance Corporation of India (LIC). The Regional Office of NICAL is located at Indore.

(b) The GIC and its four subsidiaries are Board managed companies registered under the Indian Companies Act, 1956 as amended from time to time. The Government does not interfere in their day-to-day operations. The insurance activities of these companies are monitored by the Insurance Regulatory Authority (IRA).

(c) Yes, Sir. All livestock coming under the Integrated Rural Development Programme (IRDP) is covered under a

Master Policy Agreement issued by the concerned company in favour of the State Government.

(d) The claims are settled immediately after receipt of the requisite documents from the claimants, such as, intimation of loss/death of the animal, claim form and death certificate in the prescribed form.

(e) A total number of 101 cases are pending with the insurance companies in Mandla district. Out of this, 29 cases relate to the financial year 1996-97 and 72 cases relate to the financial year 1997-98.

(f) The GIC has reported that the insurance companies have taken the following steps for speedy settlement of cattle insurance claims :

- (i) Special Claims Squads have been constituted by the companies to attend to all pending cattle insurance claims.
- (ii) All Branch Offices have been empowered to settle these claims.
- (iii) Branch in-charges have been given enhanced financial powers for speedy settlement of cattle claims.
- (iv) Certain relaxations in procedural/documentary requirements are also considered on merits for speedy settlement of cattle claims.

[English]

#### **Development of Sundergarh Waterfall**

2649. SHRI JUAL ORAM : Will the Minister of TOURISM be pleased to state :

(a) whether the Union Government have received any proposal from the Government of Orissa for allround development of the eminent waterfall in district Sundergarh of the State;

(b) if so, the details thereof and the action taken thereon so far;

(c) if not, whether any proposal is under consideration of the Government for overall development of the above waterfall project of the State; and

(d) if so, the details thereof?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI MADAN LAL KHURANA):

(a) No, Sir.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

#### **Duty Free Shops of ITDC**

2650. SHRI ANNASAHEB M.K. PATIL : Will the Minister of TOURISM be pleased to state :

(a) the number of duty free shops being operated by ITDC at various locations in the country and since when; and

(b) the details of amount earned by each of them during the last three years?

THE MINISTER OF PARLIAMENTARY AFFAIRS AND MINISTER OF TOURISM (SHRI MADAN LAL KHURANA):

(a) Presently, ITDC is operating 29 Duty Free Shops at six airports of the country. ITDC started the first Duty Free Shops at Delhi Airport in 1967 and this activity was expanded to other airports namely Calcutta (1968), Mumbai (1969), Chennai (1969), Trivandrum (1981) and Goa (1993).

(b) Location-wise details of the earnings (Turnover) for the last three years are given below:

Location of Shops	Turnover		
	1995-96	1996-97	1997-98 (Prov.)
Delhi	40.10	42.12	46.31
Mumbai	26.79	28.27	29.61
Calcutta	2.86	2.86	2.47
Chennai	2.18	2.04	2.22
Trivandrum	1.73	2.12	2.55
Goa	0.45	0.36	1.19
<b>Total Turnover</b>	<b>74.11</b>	<b>77.77</b>	<b>84.35</b>

#### **OECF Loan for Sardar Sarover Project**

2651. SHRI HARIN PATHAK : Will the Minister of FINANCE be pleased to state :

(a) whether due to non-availability of OECF loan, procurement of turbo generating sets for river bed power house of the Sardar Sarover Project has been delayed;

(b) whether stalemate has been created with regard to non-availability of OECF loan and non-operating of letter of credit with M/s Sumitomo Corporation, Japan;

(c) if so, whether the Government of Gujarat has requested for additional Central assistance for import of Turbo Generating sets from Japan;

(d) if so, whether additional Central assistance is likely to be released by the Government; and