

the future, so far as farmers are concerned, because the farmers are subject to natural vicissitude and to go on charging from them penal interest is a criminal thing from my point of view. I hope the government would agree to it.

SHRI EDUARDO FALEIRO : I appreciate the suggestion, advice given by the hon. member, Shri Ranga. I feel that there is much substance in what he says. I will convey it to the RB. I appreciate specifically the practical point that under such circumstances the farmers should not be charged penal interest. I also appreciate the point that the loan should be re-scheduled; and the other points I am placing before the RB. Incidentally, the Deputy Governor's team that has gone there has not yet submitted their report to us. I will discuss all these matters with them.

SHRI SRIBALLAV PANIGRAHI : The farmers, due to crops failure in some areas, are in great distress and are just now not in a position to pay the loan and also the interest. So, there is a force in the demand for exemption of the interest at least. There is a crop insurance scheme in operation and that, is quite laudable. But due to improper working of the scheme the affected cultivators in different areas are not getting any relief. Therefore, the pressure on this sort of a demand, that is exemption of loan and interest is mounting up. What steps the government are taking for the proper implementation of the crop insurance scheme so that the affected cultivators get relief ?

SHRI EDUARDO FALEIRO : The crop insurance scheme is being monitored and implemented by the Ministry of Agriculture.

[*Translation*]

SHRI C. JANGA REDDY : Mr. Speaker, Sir, you were to say two things. You please say so that they may take it seriously. They are not going to listen to us. You are also a farmer. You please tell. . . (*Interruptions*)

Losses Suffered by State Bank of Indore

*781. **SHRI C. JANGA REDDY :** Will the Minister of FINANCE be pleased to state :

(a) whether the State Bank of Indore with 284 branches in the country has incurred a loss of about Rs. 50 crores so far;

(b) the steps being taken by the Government to check the loss;

(c) the causes of the loss; and

(d) the total amount distributed as loans by the bank during the period of incurring losses ?

[*English*]

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) The State Bank of Indore has not incurred any loss so far.

(b) to (d). Do not arise.

[*Translation*]

SHRI C. JANGA REDDY : Mr. Speaker, Sir, the reply given by the hon. Minister is far from facts. I quote you figures. A bank in Madras has incurred a loss of Rs. 6.58 crores. There is an article written in this regard which the hon. Minister perhaps has not gone through. I will send it to the hon. Minister. I want to know from the hon. Minister about the details of 284 branches. I think the hon. Minister has in mind the headquarter branch of Indore only. I would like to know about 284 branches. If you want I can produce the data. I want to know about the irregularities being committed in these 284 branches. I want to know about their profit also. Kindly also produce the balance sheets of these branches. Are these branches having profits and if so, how much ? Please also tell how many branches have been incurring losses.

[*English*]

SHRI EDUARDO FALEIRO : Neither the hon. Member has asked for information about the branches specifically, nor do I have it. But I surely have information which I can convey to the House, about the total situation of Bank of Indore. As far as all the branches are concerned, put together, in 1985 the profit made was

Rs. 13 lakhs. in 1986 it was Rs. 38 lakhs and in 1987 it was Rs. 77 lakhs. These are the figures as far as the Bank as a whole is concerned. So, there has been profit, and increasing profit.

[*Translation*]

SHRI C. JANGA REDDY : There is a loss of 6.58 crore rupees in the Madras branch and 3 crore rupees in Bombay branch of the Bank.

[*English*]

PROF. MADHU DANDAVATE : He is giving a different picture.

[*Translation*]

SHRI C. JANGA REDDY : An article has been published in a newspaper about it. I will send it to you. You get it examined.

PROF. MADHU DANDAVATE : See, whether there is reference to Swiss Bank also ?

SHRI C. JANGA REDDY : No, there is no such reference. That is a separate issue. May I know from the hon. Minister whether any investigation has been conducted by the C.I.D. into the irregularities committed and the losses incurred by this Bank and the names of the officers against whom action has been taken ?

[*English*]

SHRI EDUARDO FALEIRO : I can assure the hon. Member that if he gives me any specific case of bungling or mismanagement, I will order an inquiry. Strict action will be taken and nobody will be spared. And when I say strict action, strict action will be taken.

[*Translation*]

SHRI C. JANGA REDDY : I have written two letters to you in this connection. I want a reply to these letters. I want to know as to what action has been taken by you. These letters might be either with you or Poojaryji, but I have given full details in them. I have the acknowledgement with me. You check up with your office record. I have got the acknowledge-

ment receipt with me. I request you to take action upon those letters and give reply to me within one month.

[*English*]

SHRI EDUARDO FALEIRO : I do not recall having received any letter from the hon. Member but there was a question in Parliament some time ago on this issue and I have ordered, rather, we have ordered, I should say, the Ministry has ordered an inquiry into the alleged bungling and mismanagement by some of the branches which are mentioned in the question. As soon as we get the report, we will take suitable action which will be action strict enough to deter any mismanagement of any sort.

[*Translation*]

SHRI RAJ KUMAR RAI : Mr. Speaker, Sir, Shri Janga Reddy has written just two letters, while I have written not less than 200 letters. You had objected to my critical remarks regarding the banks.

AN HON. MEMBER : Acknowledgement is received but there is no reply.

SHRI RAJ KUMAR RAI : There is no reply. In fact, more the number of letters written and questions asked in Parliament, more these bank people find themselves nearer to the Minister. We may ask any question, these bank people will go on briefing the Minister and the same reply will be forthcoming, such things take place. This did not happen in your tenure, this relates to the tenure of your predecessor.

I would like to mention the incident in which two officials were suspended at Chandni Chowk branch, Delhi for the bungling of Rs. 28 lakhs. No action was taken against these officers but the man who had complained about the irregularities committed by these officers was removed from service and ** was not paid subsistence allowance. They were relations of the high officials and that is why they were promoted. The hon. Minister had accepted that the circumstances forced to do it. Is the hon. Minister aware of this fact ?

**Not recorded.

[English]

SHRI EDUARDO FALEIRO : I would say with due respect, it is very bad to make this type of general allegation that because somebody is close to some officials; the things are done. This is not proper at all.

SHRI RAJ KUMAR RAI : I am making a specific allegation.

SHRI EDUARDO FALEIRO : If you make a specific allegation, when we will take action. (*Interruptions*)

SHRI RAJ KUMAR RAI : You yourself had replied to many questions. I am making a specific allegation, but you are replying in general. (*Interruptions*)

[Translation]

MR. SPEAKER : You can not mention names like this. It is not proper.

[English]

You cannot do that.

[Translation]

SHRI RAJ KUMAR RAI : Sir, you object to it.

MR. SPEAKER : I do not. The rules do not permit.

SHRI RAJ KUMAR RAI : Sir, we take you as our rules. We say what you advise us to. Whatever you say is a rule for me and for the House also.

MR. SPEAKER : I refer to the rules which have been formulated by you.

SHRI RAJ KUMAR RAI : Alright, we agree to the rules. We are not die-hard. We will speak only when you permit. But when we take some specific case. . .

MR. SPEAKER : You may give it in writing but do not refer to it in the House.

[English]

SHRI EDUARDO FALEIRO : Sir, I will say this much. The Ministry of Finance work as a whole. We have all decided that if any case comes, we will decide together. If any case of fraud or malpractice comes to our notice, we shall take strong action. I request the Member

immediately after the Question Hour is over, to come and sit with me, identify the cases and I will see that the matter is enquired afresh and action is taken.

SHRI RAJ KUMAR RAI : I must thank the Minister. We will sit together and decide.

Assistance from Public Financial Institutions to North Eastern States

*782. **SHRIMATI D. K. BHANDARI :** Will the Minister of FINANCE be pleased to state :

(a) whether the North Eastern States are getting their due share of assistance from the public financial institutions;

(b) if not, the reasons therefor; and

(c) what steps the Government envisage to remove this regional imbalance in the country?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). A statement is given below.

Statement

The Industrial Development Bank of India (IDBI) has reported that assistance sanctioned by all-India financial institutions to North Eastern States viz., Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland and Tripura increased from Rs. 38.86 crores in 1982-83 to Rs 83.54 crores in 1986-87. Cumulative assistance sanctioned by these institutions as at the end of March, 1987 totalled Rs. 385.13 crores.

Viable projects as received from any part of the country are given due consideration by the financial institutions. The entire North Eastern Region comprising of the States mentioned above, is already treated as industrially backward area and as such units set up therein are eligible for financial assistance from institutions on concessional terms.

IDBI has, in addition, also established organisations at Guwahati and Imphal to specially provide technical consultancy services to industries in the North East,