

[English]

If STC had signed with Abu Dhabi for supplying gold, but silver is supplied, we cannot agree to it. We have been cheated. STC never showed even the samples that they would be giving to the Abu Dhabi Municipality.

[Translation]

If it had come to the knowledge of Shri Vishwanath Pratap Singh, he would not have been spared. But he has already left. Four Chairmen of STC have changed within four years. You kindly reply to my question. On 6th March, 1985, Shri Luthra was pressurised by the Ambassador in the Ministry of External Affairs to sign the agreement and if the agreement was signed in this manner then the Ministry of External Affairs is also involved; you get it inquired into. Also please tell the time limit by which the rice was to be supplied after the agreement was signed giving reasons why you failed to supply them rice? It has harmed our reputation. Any trading organisation should maintain its goodwill. If STC loses its goodwill, it is a setback to the country. This should not happen. You also please tell us whether Director (Agriculture) Incharge was also consulted before the agreement was finalised? Were the specifications given in the agreement supplied to the Municipality of Abu Dhabi? The consignment sent by you was rejected which caused setback to the foreign trade. What action was taken by you in this regard and whether you will honour that agreement even at the cost of suffering a loss so as to maintain your reputation? If not, the reasons therefor?

THE MINISTER OF FINANCE AND COMMERCE (SHRI VISHWANATH PRATAP SINGH : Mr. Speaker, Sir, Shri Daga himself has given the information that the Chairman of STC has left. So far as the question of taking action is concerned, we have realised that it needs to be inquired into. The entire case of Abu Dhabi has been handed over to the C.B.I. for investigation. So far as the question of loss is concerned, since the Abu Dhabi Municipality has cancelled the agreement itself, there will not be any inquiry into the STC.

SHRI MOOL CHAND DAGA : Mr. Speaker, Sir, the question is that your Branch Manager of Delhi and other Managers have entered into this agreement. They persuaded the traders to somehow supply the rice, but as the price of rice went up, ten thousand tonnes of rice was not supplied. I want to ask whether you will meet the demand of Abu Dhabi or not?

SHRI VISHWANATH PRATAP SINGH : Mr. Speaker, Sir, there is no doubt that the agreement has been cancelled, but one of our teams has gone to Abu Dhabi.

[English]

Loans to educated unemployed by Nationalised Banks in Bihar

*353. **DR. G. S. RAJHANS :** Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that the nationalised banks in Bihar are not providing loans to the educated unemployed in the State;

(b) whether the Union Government have issued necessary guidelines to the nationalised banks in the country to provide loans to the educated unemployed;

(c) if so, the details of the guidelines issued; and

(d) the steps Government propose to take to provide loans to the educated unemployed in Bihar through the nationalised banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d) A Statement is given below.

Statement

The Reserve Bank of India have issued guidelines to nationalised banks for giving loans under the Scheme for providing Self-employment to Educated Unemployed Youth. The main features of these guidelines are as follows :—

- (i) Eligible entrepreneurs can get a composite loan not exceeding Rs. 25,000/- at an interest rate of 10% per annum in backward areas and 12% per annum in other areas;
- (ii) The beneficiaries would be eligible for receiving a capital subsidy from the Government routed through banks at 25% of the total loan amount;
- (iii) The repayment period of term loan component would be between three to seven years with a moratorium of 6-18 months;
- (iv) Banks are not to ask for collateral security or third party guarantee from borrowers. The security for the bank will be the asset created out of the bank finance.
- (v) A Task Force should be constituted at the district level for the scrutiny of the applications and for recommending the suitable ones to banks.

In order to give the scheme a more productive orientation it was stipulated from the year 1984-85 that the proportion of industrial ventures out of the total target shall not be less than 50% and that of business ventures shall not be more than 30% of the cases sanctioned.

The commercial banks have been providing loans under this scheme in the State of Bihar. The number of cases sanctioned during 1983-84 in Bihar was 14,230 involving an amount of 22.79 crores. During the year 1984-85 commercial banks have sanctioned an amount of Rs. 26.75 crores for 14806 cases in Bihar.

DR. G. S. RAJHANS : Sir, for a population of nearly 7 crores, of which 1/4th are educated unemployed and you are sanctioning a loan of Rs. 26.75 crores. However, may I know from the hon. Minister, on an average, how much time is taken to dispose of an application for loan ?

SHRI JANARDHANA POOJARY : Here, the identification of the beneficiaries is done by the task force. The representa-

tives from the District Industrial Centres and also the representatives from the banks, lead banks, and also two other banks are included. After the task force have identified the beneficiaries, the applications are being sent to the banks. The banks have to examine also, whether these projects are economically viable or not. The applications have to be disposed upto Rs. 25,000 within 14 days of the receipt of the notice of the applications.

DR. G. S. RAJHANS : My second supplementary is, in how many districts, there are task forces and who are the Members of the task forces and who monitors their working ?

SHRI JANARDHANA POOJARY : Sir, I have already stated, it is the representatives of the task forces who are the members. These Task Forces are working not only to oversee the functioning of these DICs. There is even an Advisory Committee also.

SHRI PRIYA RANJAN DASS MUNSI: Sir, it is a very serious question and the answer given by the hon. Minister is not very clear.

I would like to draw the attention of the Prime Minister also because in these programmes, there is a serious exploitation going on of the young people. The present policy is that the young people should apply with the proposals to the DICs and the DICs should recommend the cases to the nationalised banks and the nationalised banks shall dispose of it. The Minister says that within 14 days, the cases have to be disposed of. If the District Industrial Centres receive the applications and the DIC in connivance with the bank officials indulge in foul game, they recommend selective cases with the political and other costpatronage and thereby settle with the bank management and the bank management takes not only 14 days but 14 months in a year and they ask money from the young people...

(Interruptions)

And a big racket is going on in this matter, I, therefore, would ask the Minister...*(Interruptions)*. It is clear; they are corrupt. *(Interruptions)*... He has to pay to

the DIC; he has to pay to the Manager of the bank and then get Rs. 5000/-. A big racket is going on. (*Interruptions*). My question is : will the Minister make a categorical announcement in the House, (*Interruptions*) that there would be a time-bound programme for the disposal of cases ? If it had not been done in past cases which upto the period ended on 31st March, will he take steps to have an investigation against the bank Managers or the agents who deals with those cases ? There is a racket going on.

(*Interruptions*)

THE MINISTER OF FINANCE AND COMMERCE (SHRI VISHWANATH PRATAP SINGH) : There are complaints like this. I have also been in the villages as their representative. (*Interruptions*) I am saying that it is so. I am not talking about Bihar. I am saying that I am aware of this problem. (*Interruptions*)

MR. SPEAKER : Order, Order.

SHRI VISHWANATH PRATAP SINGH : I am saying so. If you are in disagreement with me, then tell me. If you contradict what I am saying, then you say something.

SHRI BHAGWAT JHA AZAD : No, we are not contradicting. (*Interruptions*)

SHRI VISHWANATH PRATAP SINGH : There is this problem. We are aware of it. I do not want to cover it up. In fact, when there was a review, we very bluntly told the Banks, Chairmen that there were genuine complaints of this nature, and that it reflected on the nature of functioning of the banks; we were very much concerned about it, and they must take steps to improve it. And about some procedure, i.e. time bound programme etc. which you are suggesting, these are for systematizing the procedure. Where these are detected, by taking firm action we hope to curb it. But I will not say that everyone is involved in it. But there is this problem. I will not deny it. We are aware of it. We are taking steps.

(*Interruptions*)

SHRI PRATAP BHANU SHARMA : Please allow a discussion under rule 193.

MR. SPEAKER : If there is time, we can allow it, because this is an important subject.

(*Interruptions*)

MR. SPEAKER : All right; we will do it. (*Interruptions*)

MR. SPEAKER : We will allow it. Now Shrimati Usha Choudhari. Question 354.

World Bank aid for irrigation project in Maharashtra

*354. SHRIMATI USHA CHOUDHARI : Will the Minister of FINANCE be pleased to state :

(a) whether the World Bank have provided \$ 201 million to India for irrigation project in Maharashtra; and

(b) if so, the extent of increase in agricultural production and availability of jobs in the State ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Board of Directors of the International Development Association (IDA) have approved on July 16, 1985 a credit of SDRs 164.2 million equivalent to US\$ 160 million) for the Maharashtra Composite Irrigation-III Project.

(b) The Project, at full completion, is expected to increase total value of agricultural production by about Rs. 264 crores and would generate 95,000 full-time additional jobs.

[*Translation*]

SHRIMATI USHA CHOUDHARI : Mr. Speaker, Sir, Vidharbha and Khandesh regions of Maharashtra comprise many hilly Adivasi areas where Kharia and Navtha Projects are pending for many years. When Shri Morarji Bhai was the Chief Minister of Maharashtra, he gave priority to Ukai project of Gujarat over the claim of Maharashtra. As a result of that, our projects lagged behind. I want to ask the hon. Minister which new projects you propose to set up in Maharashtra in view of the fact that the maximum irrigation potential of Maharashtra is 35 per cent and even