

News-item Captioned "Textile Industry in Deep Morass"

*849. SHRI RAMAVATAR SHASTRI: Will the Minister of COMMERCE be pleased to state:

(a) whether the attention of Government has been drawn to a news-item published in the "Economic Times" dated 1st April, 1982 captioned as "Textile Industry in deep Morass" following rise in price of raw materials, fall in demand for yarn and hike in banks' lending rates;

(b) if so, the facts thereof; and

(c) the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI SHIVRAJ V. PATIL): (a) and (b) The news item published in the 'Economic Times' dated April 1, 1982 relates to some of the observations made by the Chairman of the Southern India Mills' Association, Coimbatore, at the 23rd Annual General Meeting of the Association. The speech contains references to a number of issues on which action is to be taken by a multiplicity of agencies including the industry.

(c) Suggestions which seek to promote the development of the industry without going counter to the policy framework or creating sectoral imbalances are always welcome.

Opening of Office of Hindustan Diamond Company at Jaipur

*850. SHRI NAWAL KISHORE SHARMA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that at the International Lapidary Exhibition in November, 1981, the then Commerce Minister had given an assurance that a Branch of the

Hindustan Diamond Company would be opened at Jaipur;

(b) whether the said office has since been opened in Jaipur;

(c) if so, the details thereof; and

(d) if not, the reasons therefor and when it is proposed to open such an office in Jaipur?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI SHIVRAJ V. PATIL): (a) During the inaugural function of the International Lapidary Exhibition held at Jaipur in March, 1981, the erstwhile Commerce Minister, in response to a suggestion of the then Chief Minister of Rajasthan, desired that the Hindustan Diamond Company Ltd. may examine the possibility of opening a branch office at Jaipur, after studying the feasibility aspect, etc.

(b) No, Sir.

(c) Does not arise.

(d) The suggestion has been examined by the Hindustan Diamond Company Ltd., which has reported that it will not be a commercially viable proposition to open its branch office at Jaipur.

Production of Helicopters

*851. SHRI GHULAM MOHAMMAD KHAN: Will the Minister of DEFENCE be pleased to state:

(a) the capabilities and expertise available in the country for production of helicopters;

(b) whether Government have entered into a collaboration with foreign firms for production of helicopters to meet the requirements of the country;

(c) if so, the details thereof and its utilisation so far; and

(d) what are the proposals now under consideration of Govern-

ment to start early production of helicopters in the country?

THE MINISTER OF DEFENCE (SHRI R. VENKATARAMAN):
(a) Adequate capabilities and expertise exist at Hindustan Aeronautics Ltd. for the production of helicopters.

(b) and (c). Licence agreements were entered into with a foreign firm for manufacture of Chetak and Cheetah helicopters in 1962 and 1970 respectively. Production of these helicopters is continuing.

(d) while the current requirements of the Services are being met by the helicopters being produced at HAL, a proposal for design and development of an advanced helicopter is presently under consideration of Government.

Guidelines of RBI for not insisting on Guarantee and Security for Loans to Small Village and Cottage Industries

*852. **SHRIMATI JAYANTI PATNAIK:** Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has issued instructions that banks should not insist on guarantee and security to provide composite loans upto Rs. 25,000/- to Small Village and Cottage Industries;

(b) whether Complaints have been received from State Governments that the Banks are not obeying this guideline in rural areas;

(c) what action is being taken to improve the situation;

(d) whether the Reserve Bank of India has also issued instructions for joint appraisal of working capital loan to the small industries by Banks and the State Financial Corporations; and

(e) what action is being taken to ensure observance of these

guidelines particularly when it is a common experience that banks insist on making separate appraisals and cause considerable delay in sanctioning working capital after the term loan is sanctioned by the State Financial Corporations?

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

(b) and (c). Though no such specific complaints have been received, it has been represented at some forums that in spite of the fact that there is appreciation at the Head Office levels of the banks that the procedures and norms for advances to weaker sections should be simple and liberal, the relevant instructions issued by higher authorities of the banks are not given effect to faithfully at the field level. Banks have been advised by the Reserve Bank of India to take a serious view of such cases of non-compliance with instructions. The banks have also been advised by the RBI that executives of the controlling office must scrutinise, during their visits to the branches under their control, a percentage of advances to the weaker sections to ensure that the branch officials adhere strictly to the guidelines in letter and spirit.

(d) Yes, Sir.

(e) According to the instructions issued by the RBI in July, 1978, the banks were advised that there should be joint appraisal of term-loans by State Financial Corporations and banks irrespective of whether the banks participate in the term-loans or not. This was done with a view to help better understanding of the project and to facilitate timely sanction of adequate working capital limits by the banks. In cases where such joint appraisal was not found feasible, the banks and financial institutions were advised that the appraisal should be taken up simul-