

Auction of Jewellery by Nationalised Banks

3707. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that nationalised banks are auctioning jewellery of farmers that was hypothecated against agriculture/crop loans in coastal Andhra;

(b) if so, what is the total number of such auctions;

(c) what is the total amount realised through such auctions; and

(d) what are the district-wise and bank-wise details thereof

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) The Reserve Bank of India (RBI) has reported that no information is available with them in this regard. It is also reported that jewellery of farmers pledged with Andhra Bank against loans for agricultural purposes obtained from it is auctioned by the bank only where the relative loan is not repaid within the stipulated time. In terms of established bank-ing practices, all borrowers availing of loans/accommodations in any form from banks are required to repay the same with interest as per repayment schedule agreed between the bank and the borrowers. Any default committed by a borrower in this regard is liable to be subjected to appropriate action for recovery irrespective of the amount of default. The recovery of dues from borrowers by financial institutions is their normal activity. Auction of jewellery is resorted to recover the bank dues only as a last resort. Any request by the borrower, asking for time for repayment is generally considered by the bank.

RBI Directions for interest on Agricultural Loans

1708. DR. YELAMANCHILI SIVAJI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is a circular of R.B.I. to all the commercial

banks that the interest component should not exceed principal amount in case of agricultural loans extended to small and marginal farmers; and

(b) if so, what are the details of the circular and what steps are taken to implement the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Reserve Bank of India (RBI) issued a circular to all scheduled commercial banks on 16th March, 1984 detailing the guidelines for Priority Sector Advances to be observed by them which inter-alia, provides that the total interest debited to an account should not exceed principal amount in respect of short term advances granted to small and marginal farmers.

Recognition to the Vallalar Gramya Bank Employees Association

3709. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) whether Vallalar Gramya Bank (RRB) Employees Association in the District of Cuddalore in Tamil Nadu is recognised by the Bank,

(b) if not, what are the reasons therefor;

(c) whether check-off facility is made available to the employees association members; and

(d) whether it is a fact that the Messenger Staff of the Bank have not yet been regularised in this services in terms of the National Industrial Tribunal's Award and recommendations of the committee appointed by NABARD in this connection; if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) No Sir. Indian Bank which is the sponsor bank of the Vallalar Gramya Bank has reported that the Regional Rural Bank

has not so far received any specific request for recognition from Vallalar Gramya Bank Employees' Association with necessary proof of having majority.

(c) At present no check off facility has been made available to the members of the Employees' Association.

(d) In the matter of regularisation of messenger staff, the Bank has reported that the recommendations/guidelines issued by National Bank for Agriculture and Rural Development (NABARD) have been implemented.

Frauds in Merchant Banking System

3710. SHRI BISHAMBHAR NATH PANDE:

SHRI V. NARAYANASAMY:

Will the Minister of FINANCE be pleased to state:

(a) how many cases of frauds in the Merchant Banking System have been detected by the Securities and Exchange Board of India (SEBI) during the last few months;

(b) whether Government have decided to fully equip SEBI to eliminate the frauds in the Share Market; and

(c) what measure Government have taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) In the wake of the securities scam, it had come to the notice of the Securities and Exchange Board of India (SEBI) that six of its authorised Merchant Bankers were linked in the scam related Reports.

(b) and (c) Government have decided to equip SEBI with more powers to enable it to discharge its responsibilities more effectively. Government have already notified most of the rules and regulations in respect of various market intermediaries to enable SEBI to regulate their activities. Government have also delegated to SEBI certain powers under the Securities Contracts (Regulation) Act, 1956.

Deportation of Shri Niranjn Shah

@3711 SHRI. SUBRAMANIAN SWAMY:

SHRIMATI MIRA DAS:

SHRI CHIMANBHAI MEHTA:

SHRI SARADA MOHANTY:

SHRI G.G. SWELL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Shri Niranjn Shah allegedly involved in drug trafficking and FERA violation is deported back to India from Dubai;

(b) whether it is a fact that during the raid on Niranjn Shah's house at Bombay his links with Harshad Mehta, stock broker came to light; if so, give details thereof;

(c) whether it is a fact that sizeable amount of money was illegally transferred through Niranjn Shah by Harshad Mehta; if so, details thereof;

(d) whether it is a fact that Harshad Mehta has set up 'Grow well International' in Dubai;

(e) whether any nexus is suspected or surfaced between Niranjn Shah, Harshad Mehta and Dubai based Dawood Ibrahim; if so, the details thereof; and

(f) whether Shri Harshad Mehta with the support of banks finance indulged in abetting drug traffic carried on by Niranjn Shah?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) and (c) During the search of Shri Niranjn Shah's house at Bombay by the Income-Tax authorities on 30th/31st May, 1992, certain computer floppies and printouts were seized, in which details of dollar and rupee accounts of Shri Harshad Mehta and his family members were given. These indicate that a sizeable

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