

Distribution of mass loans by Banks,

*128. SHRI J. JSGANNATHRAO JOHI;

SHRI HALRAJ MISHRA:

Will the Minister of FINANCE be pleased to state

(a) whether his attention has been drawn to a news report which appeared in the Hindi Daily 'Navbharat Times' published from Delhi dated the 9th February, 1934 to the effect that the Reserve Bank Governor had expressed his unhappiness over the grant of mass loans recently;

(b) whether his attention has also been drawn to press reports regarding dissatisfaction among bank officers about the manner in which mass loans are being distributed;

(c) if so, what are the details in this regard and what Government's reaction thereto;

(d) whether there were also adverse press comments about the mass loaning schemes and their implications; and

(e) if so what is Government's reaction thereto?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHAN/ POOJARY): (a), (b) and (d) Government have seen the press reports.

(c) and (e) Exchange of views on various issues between Reserve Bank of India and Government is a continuing process.

Government have advised the banks to accelerate tempo of credit assistance to viable productive ventures of weaker sections of the community. To achieve this objective it has been suggested that the banks may launch campaigns to identify beneficiaries. To create greater awareness among the weaker section about the facilities that they can avail from banks to motivate them to undertake productive ventures, credit assistance and also to 1907 R:—2.

demonstrate to the people that facilities meant for these groups are in effect reaching them, banks hold functions where beneficiaries receive in public bank assistance for viable ventures on the basis of applications received, scrutinise and sanctioned by competent bank officer.

Interim Report of the Eighth Finance Commission

*129. SHRIMATI MAIMOONA SULTAN:

SHRI NARENDRA SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether the Eighth Finance Commission has submitted any interim report in compliance with Government's request in this regard;

(b) if so, what are the highlights of the interim report; and

(c) what decision Government have taken thereon?

THE MINISTER OF FINANCE (SHRI PRANAB KUMAR MUKHERJEE): (a) to (c) The interim report of the Eighth Finance Commission and the explanatory memorandum on the action taken by the Government thereon were placed on the Table of the House on 9th December, 1933.

Amount due from HINDALCO towards Aluminium Regulation Account

♦130. SHRI GHULAM RASOOL MATTO:

SHRI KALYAN ROY:

Will the Minister of FINANCE be pleased to refer to the answer to Starred Question 1 given in the Rajya Sabha on the 15th November, 1933 and state:

(a) whether the Industrial Finance Corporation of India and Industrial Credit and Investment Corporation of India have appointed their

nominees as Directors in the HINDALCO and if so, what are their names;

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

(c) what are the detail of the amount of dues towards the Aluminium Regulation Account till 29th February, 1984;

(d) whether a compromise has been made with HINDALCO to Waive nearly Rs. 10 crores out of the total dues which will be paid in 40 instalments and if so, when and what are the details in this regard; and

(e) what is the total loss to the Aluminium Regulation Account & as a result of this compromise?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): 1 (a) and (b) Industrial Finance Corporation of India (IFCI) had decided to appoint Shri S. K. Rishi as its nominee on the Board of HINDALCO and had communicated its decision to the Company on 19-12-1983. Industrial Credit and Investment Corporation of India (ICICI) had also decided to appoint Shri S. S. Betrabet as its nominee on the Board of HINDALCO and had communicated its decision to the Company on 22-12-1983. As against the proposed appointment of two additional nominee Directors besides Life Insurance Corporation of India (LIC) and Industrial Development Bank of India (IDBI) nominees who were already on the Board, the Company's Board had only one available vacancy. The institutions have therefore decided to appoint, Shri Betrabet who has since joined the Board of HINDALCO with effect from 1-3-1984. The appointment of Shri Rishi has been kept in abeyance for the time being.

(c) and (d) HINDALCO withheld Payment of dues to Aluminium Regulation Account (ARA) amounting to Rs. 35 67.27.630 for the period, from 4-10-1979 to 31-8-1983 on the slot interim orders of Supreme Court

and Calcutta High Court. An amount of Rs. 2.5 crores was paid by HINDALCO in accordance with the interim orders leaving an outstanding amount of Rs. 33,17,27,630. While the court cases were pending, HINDALCO offered, to settle the matter out of court on the basis that it unconditionally accepts the liability for payment of dues. Government has accepted the offer and the matter has been settled out of court. Out of the outstanding amount of Rs. 33,17,27,630, it was determined that an amount of Rs. 10,42,29,128 was reimbursable to HINDALCO as additional electricity charges actually paid by it to UPSEB for the period from 30-6-1980 to 31-8-1983 as per the commitment made by Government to HINDALCO in July, 1980. Thus the net dues of HINDALCO for the period from 4-10-1979 to 31-8-1983 worked out to Rs. 22,74,98,502. As per the out of court settlement, HINDALCO was allowed to pay the net dues in 48 equal monthly instalments of Rs. 47,39,552 each, the first such instalment being payable by 31-1-1984. HINDALCO was required to execute a bank guarantee, initially valid for one year, for the arrear amount of Rs. 22,74,98,502. HINDALCO has paid the 1st and 2nd instalments by due dates. It has also furnished a bank guarantee which together with the bank guarantees already furnished to the courts covers the total dues. From 1-9-1983, HINDALCO has been paying the current dues regularly.

(e)- Does not arise.

Defence Projects for Indigenous Production of Defence Materials

*131. SHRI RAMANAND YADAV: Will, the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that commissioning of most of the defence projects for the indigenous production of defence materials in the country is delayed due to the delay in taking decisions -which leads to cost escalations; and