

Confirmation letters for advance licences by exporters

2162. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

- (a) whether appraisers in the Customs department posted at various ports do not clear any inputs imported for export production on Saturdays;
- (b) if so, the justification for such practice;
- (c) whether exporters are asked to get confirmation letters for their advance licences issued before registration by these appraisers; and
- (d) if so, the steps taken to reduce transaction costs for clearance of inputs required for export production?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No, Sir. The appraisers in the Customs department posted at various ports clear inputs imported for export production on all Saturdays except second Saturday.

(c) No, Sir.

(d) Does not arise in view of (c) above.

Protection to shareholders and depositors

2163. SHRI E.M. SUDARSANANATCHIAPPAN: Will the Minister of FINANCE be pleased to state:

- (a) whether Government have formulated any transparent system to protect innocent shareholders and depositors whenever quick fix merger of financial institutions happen to escape accountability and criminal prosecution due to bad record of NPA management; and
- (b) if so, the reasons for the merger of Global Trust Bank with Oriental Bank of Commerce?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Merger of a banking company with other banking entity is done in accordance with the relevant statutes contained in the Banking Regulation Act, 1949. The amalgamation schemes formulated to merge two banking entities clearly specifies the protection available to both shareholders and depositors. The interest of the depositors are taken care of immediately and that of shareholders are done after meeting all the liabilities of the transferor bank.

[24 August, 2004]

RAJYA SABHA

(b) The financial health of GTB was causing concern to Reserve Bank of India (RBI) due to wrong reporting by the bank and false certification by statutory auditors of the bank on key performance indicators for the year 2001-02 & 2002-03. Bank's net worth has fully eroded, both profit and CRAR were negative. Accordingly, after initial moratorium Govt, has notified a scheme amalgamating Global Trust Bank with Oriental Bank of Commerce on 13th August, 2004. This was done exclusively to protect the interest of depositors of GTB.

NPA of Commercial Banks

† 2164. SHRI MANGANI LAL MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that NPA is increasing in all the commercial Banks of the country; and

(b) if so, the NPA in each Commercial Bank and its subsidiary banks as on 30th June, 2004, Bank-wise alongwith the view of Government to solve this problem?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir. Non-performing assets are declining in majority of the Scheduled Commercial banks. Gross Non-performing assets of scheduled commercial banks have decreased from Rs. 68713.88 crores on 31st March, 2003 to Rs. 63246.21 crores on 31st March, 2004.

(b) Does not arise

Grant for lift irrigation

2165. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government supplement and release grants on recommendations received from Eleventh Finance Commission for rejuvenation of defunct lift irrigations;

(b) if so, the details of the funds received from EFC supplemented by Government and released to the State Governments during the last three years, year-wise and State-wise;

†Original notice of the question was received in Hindi.