

demand recession, poor cash accruals, diversion of funds lead to advances becoming sticky.

(f) Banks undertake suitable rehabilitation programmes in cases where there is hope that the account can be nursed back to health. In other cases banks take legal action to recover their dues.

#### **Functioning of Nationalised Banks and other Financial Institutions**

10273. SHRI SAMAR GUHA: Will the Minister of FINANCE be pleased to state:

(a) whether reports about the functioning of different nationalised banks and other Government-controlled financial institutions have come under criticism in the House and in the press on various occasions;

(b) if so, whether their functioning and related aspects thereon have been inquired into;

(c) if so, whether Government have found any substance in the criticism directed against these financial institutions;

(d) if so, facts thereabout; and

(e) whether the recent reports by two Expert Committees on the functioning of nationalised banks have been studied by the Government, if so, the findings thereabout and steps taken by the Government for better development of these nationalised financial institutions and punishing the corrupt officials?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) Yes, Sir.

(b) The functioning of the public sector banks is kept under continual review by the Government, the Reserve Bank through its various departments, and the Boards of Directors of these banks. Similar control is exercised in respect of public financial institutions through I. D. B. I. and the Boards of these financial institutions.

(c) and (d). Replies have already been given in response to questions and on other occasions when functioning of the public sector banks and the public financial institutions had come in for criticism in this House on the basis of reports appearing in the press.

(e) If the Hon'ble Member has in mind the reports of the James Raj Committee and the Working Group on Productivity, Efficiency and Profitability in banks, commonly known as the PEP Committee the answer is that the reports of both these committees, which were appointed by the Reserve Bank, are under their examination.

#### **Smuggled Goods**

10274. SHRI SAMAR GUHA:

SHRI FAQUIR ALI ANSARI:

Will the Minister of FINANCE be pleased to state:

(a) facts about the seizure of smuggled goods and Indian and foreign currencies from the smugglers during the period after formation of the Janata Government till 31st March, 1978;

(b) total amount of these smuggled goods and various currencies that were seized from the smugglers and lying undisposed of at the hands of the Government at present;

(c) the general nature of such undisposed of smuggled goods including jewellery, diamonds, costly stones etc.; and

(d) the facts about the policy and nature and disposal of such smuggled goods?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGRAWAL): (a) to (c). Information is being collected and will be laid on the Table of the House.

(d) Government have reviewed the position regarding disposal of seized/

confiscated smuggled goods and have decided that seized/confiscated goods which are sensitive to smuggling are to be disposed of in the manner indicated in Statement-I. Other items as given in Statement II continue to be

disposed of in accordance with earlier prescribed procedures. According to revised procedures, sale of seized/confiscated smuggled goods through co-operative societies or military canteens has been discontinued.

#### Statement I

*Manner of disposal of confiscated smuggled goods sensitive to smuggling.*

Name of goods	Manner of disposal
1. Metallic & Radiant yarn . . . . .	This is yet to be decided.
2. Synthetic textiles . . . . .	Should be re-exported out of India.
3. Liquor . . . . .	Should be disposed of to the Indian Tourism Development Corporation against their import quotas and on the usual terms and conditions.
4. Watches . . . . .	Should be handed over to the H.M.T.
5. Electronic goods . . . . .	Calculators and tape recorders should be offered to Government departments for official use and educational and research institutions and universities. T. V. sets should be sold to hospitals.
6. Diamonds . . . . .	Rough and uncut diamonds should be sold by auction or tender to import licence holders against debit of their licences. Cut and polished diamonds should be sold for export only.
7. Perishables . . . . .	Perishables such as cigarettes etc. should immediately, after their seizure, be offered to I.T.D.C. and Air India.

#### Statement II

*Manner of disposal of confiscated smuggled goods other than sensitive to smuggling*

Name of goods	Manner of disposal
1. Gold and silver . . . . .	Are deposited in the Government Mint.
2. Indian and foreign currency . . . . .	Are deposited with the Reserve Bank for crediting to the Government.
3. Trade goods . . . . .	Trade goods like chemicals, industrial raw materials, machinery parts, motor vehicle parts etc. are disposed of by auction.

Name of goods	Manner of disposal
4. Conveyance . . . . .	Conveyance like vessels and vehicles are sold by public auction. Vessels and Indian vehicles suitable for Government departments are appropriated departmentally.
5. Precious and semi-precious stones other than diamonds.	Rough and uncut precious and semi-precious stones are sold in the internal market by auction or tender to holders of import licences against debit of their licences. Cut and polished precious and semi-precious stones other than diamonds are sold internally by auction or by tender.
6. Arms and Ammunition	<p>Arms and ammunition of other than .38 and .32 bore revolvers/pistols and their ammunition are disposed of in the following manner :—</p> <p>(a) Sten guns are offered to the Ministry of Home Affairs and those not required by them sold to the Ministry of Defence.</p> <p>(b) All weapons of prohibited bore and their ammunition are disposed of to Ordnance factories (Ministry of Defence).</p> <p>(c) Crude weapons of indigenous make are offered to C.B.I. for being exhibited in their museum.</p> <p>(d) All other weapons for which licences are issued to the public and the ammunition thereto are disposed of by public auction.</p> <p>(e) Revolver/pistols of .38 and .32 bore and their ammunition are kept for departmental use.</p>
7. Antiquities . . . . .	Antiquities are handed over to the Archaeological Survey of India, free of cost, for disposal by way of gifts to different museums or institutions or if necessary, by other means.
8. Mixed items in small lots in the baggage of passengers which are confiscated (other than notified goods and goods covered by section 123 of the Customs Act, 1962).	These items are disposed of by Customs Houses.
9. Goods of Indian origin . . . . .	Goods of Indian origin other than wild life skins are sold by auction or through retail sale. Wild life skins, however, are disposed of in consultation with the Indian Board for Wild Life, to educational institutions museums etc.