

Expenditure incurred in Foreign Trips by Officers of Central Government

5423. SHRI VINODBHAI SHETH: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) how much expenditure was incurred in foreign travel trips by officers of Central Government during 1977-78 and from 1st April, 1978 to 31st December, 1978, Ministry-wise; and

(b) whether these trips were approved by concerned Minister with proper justification?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) The information is being collected and will be laid on the Table of the House as soon as it is available.

(b) Under the existing procedure, all foreign trips are required to be approved by the Minister-in-charge of the administrative Ministry.

Losses to Companies Assisted by IDBI

5424. SHRI SUBHASH CHANDRA BOSE ALLURI: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether it is a fact that out of 214 IDBI assisted companies 106 companies reported losses to the tune of Rs. 109 crores in 1977;

(b) if so, what are the reasons for such losses; and

(c) steps proposed to be taken to prevent them from becoming sick?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) Yes, Sir.

(b) These loss-making companies mainly belong to paper, mini-steel, glass, chemicals and cotton textile groups, which passed through difficult

times owing to a variety of factors such as power cuts, demand recession etc. Besides, bulk of these companies were new units which commenced in their failure to achieve optimum utilisation of installed capacity. Escalation in the project costs was another factor, which adversely affected the profitability projections of these new units.

(c) For the purpose of rehabilitation/revival of viable sick units, the industrial Development Bank of India (IDBI), in consultation with other participating institutions, works out a time-bound programme, which normally includes measures such as package of concessions by way of moratorium/rescheduling of overdue instalments and interests, need-based additional assistance, including concessional terms, if necessary, strengthening of management by inducting professionals, merger with a healthy unit, etc. IDBI also devotes considerable attention in the matter of follow-up/supervision of the assisted companies through periodical inspections so as to secure the necessary feed-back on their working. For closer surveillance of the assisted concerns which have turned sick or have been showing signs of incipient sickness or have major problems, a separate Division has also been set up in IDBI, which is engaged, inter-alia, in nursing of these units.

Extension to Chairman and Managing Directors of Nationalised Banks

5425. SARDAR RAGHBIR SINGH VIRK: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether it is a fact that extension to the Chairmen and Managing Directors of the nationalised banks is freely given by the Government and if so, the reasons thereof;

(b) what are the names of the banks, the Chairman and Managing Directors were given extensions more

than once and the reasons in each case; and

(c) whether Government proposes to stop this practice of giving extensions to Directors/Managing Directors/Chairmen of the nationalised banks and if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) The appointments/reappointments of the Chairmen and Managing Directors of nationalised banks are made by the Central Government after careful thought, in consultation with the Reserve Bank of India, in terms of the provisions of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970. Such appointments can be made for periods not exceeding five years at any time

and the persons concerned are eligible for re-appointment.

(b) The information is indicated in the attached statement. Each case is decided by Government on merits after consultation with the Reserve Bank and after taking into account the situation in each bank.

(c) In terms of clause 8(1) of the Nationalised Banks (Management and Miscellaneous Provisions) Scheme, 1970, the term of appointment of a Managing Director of a nationalised bank is specified by the Central Government after consultation with the Reserve Bank; a Managing Director whose term has expired is eligible for re-appointment. While specifying the term of appointment of a person as Managing Director of a nationalised bank, all relevant factors such as his age, experience and length of service, situation in the bank concerned, are taken into account.

Statement

Statement showing the names of the Custodians/Chairmen & Managing Directors of the Nationalised Banks who got extensions of their terms more than once

Sl. No.	Name of the Bank	Name of the Custodian/Chairman & Managing Director	Term allowed
1	Central Bank of India.	Shri B. N. Adarkar	21-1-71 to 10-12-72 11-12-72 to 20-1-74 21-1-74 to 31-1-74 1-2-74 to 20-2-74 21-2-74 to 31-3-74
2	Bank of India	Shri J. N. Saxena	1-10-70 to 10-12-72 11-12-72 to 20-9-73 1-10-73 to 31-10-73 1-11-73 to 20-9-74 1-10-74 to 30-9-75
3	Punjab National Bank	Shri T. R. Tuli	1-8-75 to 31-7-76 1-8-76 to 31-8-76 1-9-76 to 31-7-77

1	2	3	4
4	Bank of Baroda	Shri V. D. Thakkar	14-9-71 to 10-12-72 11-12-72 to 31-12-74 1-1-75 to 31-3-75 1-4-75 to 30-4-75
5	United Commercial Bank	Shri V. R. Desai	1-9-71 to 10-12-72 11-12-72 to 31-12-74 1-1-75 to 31-3-75 1-4-75 to 30-4-75 1-5-75 to 31-3-78 1-4-78 to 18-6-78
6	Canara Bank	Shri C.E. Kamath	3-9-73 to 2-9-76 3-9-76 to 2-9-77 3-9-77 to 2-9-78 3-9-78 to 2-9-81
7	United Bank of India	Sh. M. Sen Sarma	1-8-73 to 31-7-76 1-8-76 to 31-8-76 1-9-76 to 31-7-77
8	Dena Bank	Shri R. A. Gulmohamed	10-7-70 to 10-12-72 11-12-72 to 9-7-73 10-7-73 to 9-7-74 10-7-74 to 22-7-76 23-7-76 to 31-8-76 1-9-76 to 31-1-77 1-2-77 to 31-3-77
9	Syndicate Bank	Sh. K. K. Pai	28-2-70 to 10-12-72 11-12-72 to 31-12-74 1-1-75 to 31- -75 1-4-75 to 30-4-75 1-5-75 to 31-3-78 1-4-78 to 23-4-78
10	Union Bank of India	Sh. P. F. Gutta	15-7-70 to 10-12-72 11-12-72 to 31-12-74 1-1-75 to 31-3-75 *1-4-75 to 30-4-75
11	Allahabad Bank	1. Shri B. K. Mookerjee 2. Sh. S. D. Varma	18-7-70 to 10-12-72 11-12-72 to 17-7-73 18-7-73 to 31-8-73 1-9-73 to 31-10-73 1-11-73 to 31-10-76 1-11-76 to 30-11-76 1-12-76 to 31-3-77
12	Indian Bank	Shri G. Lakshminarayanan	19-7-69 to 10-12-72 11-12-72 to 31-12-74 1-1-75 to 31-3-75 1-4-75 to 30-4-75 1-5-75 to 31-3-76 1-4-76 to 30-4-76 1-5-76 to 31-3-77 1-4-77 to 30-4-77
13	Indian Overseas Bank	Shri A. M. Kadhiresan	1-10-73 to 30-9-76 1-10-76 to 30-9-77 1-10-77 to 31-3-78

Shri P.F. Gutta was appointed Chairman and Managing Director of the Central Bank of India from 1-5-1975 to 30-4-1979.