

instruments, differ from their specimen signatures. An aggregate amount of Rs. 20.25 lakhs was involved in four instances of encashment of DDs for which disciplinary action is being taken against these nine officers. The Bank has also reported that these cases have also been referred to police for investigation.

(c) and (d) Training on "Signature Verification" is given to officers in the Bank to prevent frauds in the areas of Payment of Demand Drafts etc. and for safeguarding customers money deposited in Bank. A session on Preventive Vigilance is included in all the General Banking Programmes for Officers conducted by Bank's Staff Training Colleges.

Fraud prevention check-list is provided in the Manager's Work Book supplied to each Branch Manager. Circulars/Letters are sent periodically to Regional Managers and Branch Managers advising remedial measures to contain frauds.

Accountability of Banks

4456. DR. MURLI MANOHAR JOSHI : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received a memorandum during December 1996 from the All India Bank Employees Association in which suggestions regarding transparency and accountability of Banks were made;

(b) if so, the salient points made therein;

(c) whether Government have taken any decision regarding the secrecy clause with regard to balance sheet and defaulters.

(d) if so, the details thereof; and

(e) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Yes, Sir.

(b) The salient points of the representation received from the All India Bank Employees Association are viz. (i) restructuring of Banks, (ii) wilful default of Bank loans to be made as a criminal offence, (iii) full disclosure of the list of all bank defaulters, (iv) banks' balance sheets should be absolutely transparent, (v) establishment of independent audit commission, (vi) establishment of a Central vigilance Commission, (vii) appointment of Banks' Chairman & Executives through a Banking Service Commission, (viii) standing Parliamentary Committee

should be set up to screen the performance of nationalised banks (ix) periodic consultation with unions of employees and officers, and (x) not to establish Local Area private banks.

(c) to (e) a revised format for bank balance sheet was introduced with effect from 1991-92. This format provides for greater disclosure particularly in regard to the accounting policies adopted and necessary provisions made. While there could be room for more transparency, the parameters of the same has not been spelt out in the representation. As regards disclosure of names of defaulters, the same cannot be done keeping in view the secrecy laws relating to the banker customer relationship as available in various statutes of the country as well as in other countries of the world. List of suit filed defaulter borrowers' accounts having default of Rs. 1 crore and above indicating position as on 31st March, 1994 and 1995 have been published it may however, be added that effecting improvements in the banking industry is a continuous process in which suggestions received from different sources are kept in view in the light of all relevant factors.

Balance of Payment

4457. SHRI I.D. SWAMI : Will the Minister of FINANCE be pleased to state :

(a) whether deficit has widened despite rise in exports, as has been brought out in the news item captioned "Deficit widens despite rise in exports" appearing in the Times of India dated March 2, 1997:

(b) if so, the reasons therefor; and

(c) the steps taken by the Government to narrow the deficit vis-a-vis balance of payment ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) The export growth rate during the period April-January, 1997 was 6.2 percent, a little higher than the import growth rate of 6.1 percent. Because of the higher base of import during the corresponding period last year, trade deficit has increased marginally by \$ 232 million.

(c) Government constantly reviews policies and procedures for providing an export friendly environment.

Housing scheme of LIC in U.P.

4458. DR. RAMVILAS VEDANTI : Will the Minister of FINANCE be pleased to state :

(a) whether Life Insurance Corporation of India has

got the work of some housing schemes done in Uttar Pradesh;

(b) if so, the details thereof; and

(c) the amount spent on these schemes during the last three years and the amount likely to be spent during the current year ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) No, Sir. Life Insurance Corporation of India (LIC) grants loans at concessional rate to all State Governments, including Uttar Pradesh, for financing various social housing schemes as per allocations made by the Planning Commission and the Ministry of Urban Affairs & Employment every year.

Controversy over wage

4459. SHRI PARASRAM BHARDWAJ : Will the Minister of FINANCE be pleased to state :

(a) whether the controversy of wage has arose in the banking industry because of the recent decision of the Board of United Commercial Bank to withhold annual increment of its employees;

(b) if so, the details thereof alongwith reasons therefor; and

(c) the remedial steps taken by the Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) It has been reported by UCO Bank that its Board of Directors in a meeting held on 14th December, 1996, while considering the Bank's Balance Sheet as on 30.9.96, gave various directions for dealing with weak financial position of the bank for bringing out a strategic revival plan which, inter-alia, included wage freeze. UCO Bank has further reported that this decision with regard to wage freeze stands withdrawn after deliberations in another meeting of Board of Directors held on 19th February, 1997.

Export or MICA scrap by MITCO

4460. SHRI R.L.P. VERMA : Will the Minister of COMMERCE be pleased to state :

(a) whether the Mica Trading Corporation of India is playing any role of broker/middlemen in the export of Mica Scrap;

(b) if so, whether MITCO has been charging 40 percent commission at the cost of mining industry;

(c) if so, whether there is any other agency charging huge commission causing huge loss to the Mica-Mining Industry; and

(d) if so, the steps taken by the Government to abolish commission to encourage and promote mica industry ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) No, Sir, MITCO has been merged with MMTC with effect from 1.4.95. MMTC As per the Rehabilitation-cum-Amalgamation Scheme of merger of BIFR, export of mica scrap has to remain canalised through MMTC Limited till 1997-98. Through its global network, MMTC is exporting canalised mica scrap effectively as would be evident from the increase in exports from Rs. 4.5 crores in 1991-92 to Rs. 11.80 crores in 1995-96.

(b) to (d) The BIFR Scheme also envisages net contribution (Margin) of 27% on sales of mica scrap). However, MMTC is working on a contribution (margin) of average 24-25%. MMTC is paying nearly double the price to the local Mica Suppliers for supply of mica scrap to it for export purposes as compared to the price paid when they supply to its (MMTC's) Plants for manufacturing value added products. To develop Mica Industry MMTC has set up plants for value addition of mica scrap.

Indian Overseas Bank

4461. SHRI BHAGWAN SHANKAR RAWAT : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the news item captioned "Case closed, IOB to lose Rs. 100 crores" appearing in the Economic Times dated February 18, 1997;

(b) if so, the details of the points raised therein; and

(c) the steps taken by the Government to remedy the situation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Yes, Sir.

(b) and (c) Indian Overseas Bank has reported that in respect of the six accounts referred to in the news item, they have recovered Rs. 152.90 crores during 1993 and 1994-95 against the outstanding amount of Rs. 245.37 crores. Attempts to recover the remaining amount constitute an ongoing process.