

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:5142  
ANSWERED ON:25.08.2000  
WOMEN ENTREPRENEURS  
SAMUDRALA VENUGOPAL CHARY

**Will the Minister of FINANCE be pleased to state:**

- (a) whether attention of the Government has been drawn to the news-item captioned 'Bank bunglings pit Minister against Minister' appearing in the 'The Sunday Observer' dated August 29, 1992;
- (b) if so, the facts of the matter reported therein;
- (c) whether the Bank of Baroda lost the insurance documents of many Women Entrepreneurs and thus causing losses to them;
- (d) if so, the details thereof;
- (e) whether in spite of the orders for settlement of the cases by the then Union Government, no case has since been settled till now;
- (f) if so, the reasons therefor; and
- (g) the remedial steps the Government propose to take to settle the case now?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) Yes, Sir.

(b) and (e) to (g) Bank of Baroda has reported that the case relates to M/s Laxmi Laboratories, financed by the bank for import of machines and working capital for processing and developing colour photographs. The machines imported by the firm were stated to have been found defective. The firm lodged its claim and also filed a case against the insurance company based in U.S.A. and Bank of Baroda was made a party.

The insurance documents submitted by the firm with the bank and remitted to the New York branch of the bank as per advice of the firm, did not reach there. The bank subsequently furnished an affidavit, inter alia, indemnifying the insurance company for any amount paid by them to the firm. The Bank incurred expenses to the tune of US \$ 1,15,000 in the litigation.

The insurance company is reported to have settled the claim and paid an amount of US \$ 21,000 to the firm. The firm offered to pay the same to the bank. The same was not found acceptable to the bank. The Bank had filed a suit against the borrower in the Delhi High Court. This case now stands transferred to the Debts Recovery Tribunal for its verdict.

(c) and (d) No, Sir. There have been no cases other than the case of M/s. Laxmi Laboratories as mentioned above.