

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) Yes, Sir.

(b) The Central Silk Board has received requests/suggestions from sericulture States (including Andhra Pradesh) for grant of subsidy for drip irrigation in sericulture sector. After examining/ considering the various proposals/requests/suggestions, the Central Silk Board has recently drafted a scheme for providing subsidy for installation of drip irrigation system.

(c) Under the existing Export-Import policy there are no restriction on export of silk. However, in order to maximise foreign exchange earnings, the government is taking steps to boost export of value added silk products instead of raw silk.

#### **Funds to Jute Corporation of India**

3507. SHRI AJAY CHAKRABORTY: Will the Minister of TEXTILES be pleased to state:

(a) whether the Jute Corporation of India has been provided with adequate funds to purchase raw jute directly from the jute growers during the current year;

(b) if so, the details thereof; and

(c) the quantum of raw jute purchased by the Jute Corporation of India during the year 1995-96 and estimated purchase likely to be made in 1996-96?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) to (c) The Jute Corporation of India did not procure raw jute during 1995-96 as the prices of raw jute ruled much above the Minimum support Price (MSP). Procurement under support price operations during 1996-96 will similarly depend on the price situation and no estimate can be made at this stage. Current prices are above the MSP. However, a close watch is being kept on the movement of prices.

#### **Smuggling of Basmati Rice**

3508. SHRIMATI SUMITRA MAHAJAN : Will the Minister of Finance be pleased to state:

(a) whether the Government are aware that Basmati rice of India is smuggled to Norway, Sweden, Spain and Portugal from Punjab and U.P. where demand for Indian Basmati rice is the highest; and

(b) if so, the steps being taken to stop such smuggling?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) No incident of smuggling of

Basmati Rice from Punjab & Uttar Pradesh to Norway, Sweden, Spain and Portugal has come to the notice of Government.

(b) Does not arise in view of (a) above. However, field formation are alert to detect & prevent all smuggling including smuggling of Basmati Rice.

#### **Violation of RBI Norms by Private Banks**

3509. SHRI R.L.P. VERMA : Will the Minister of FINANCE be pleased to state:

(a) whether some of the private sector banks are offering bill discounting facilities to exporters holding accounts with other banks in gross violations of Reserve Bank of India regulations;

(b) if so, the details thereof and the reaction of the government thereto; and

(c) the action proposed to be taken against such banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) Reserve Bank of India (RBI) have reported that some of the banks in the private sector have ignored RBI instructions while offering bill discounting facilities to their exporter clients holding accounts with other banks because these facilities are low risk, self liquidating and also ensure liquidity for the financing banks which are eligible for refinance from RBI against eligible export bills. In such cases, the banks do not wait for the receipt of no objection certificates from other banks financing the grower under a consortium and do not take into account the quantum of bank finance permissible while releasing their limits.

(c) RBI verifies the compliance with its guidelines during the course of its inspections/scrutinies. The violations observed during the course of the inspections/scrutinies are brought to the notice of the bank concerned and if such instances continue penalties are imposed against the erring banks.

[Translation]

#### **Bringing Government Departments under MRTP Act**

3510. SHRI ILIYAS AZMI : Will the Minister of FINANCE be pleased to state:

(a) whether MRTP Commission in a recent decision has brought Government Departments rendering services under the MRTP Act; and

(b) if so, the details thereof alongwith the fallout