

(d) Reserve Bank's instructions are that individual banks are free to fix rates for maturity period of 15 days and above but less than one year within a ceiling of 8 per cent per annum. While doing so, banks are required to adopt, at any point of time, uniform rates at all their branches and for all customers without any discrimination. The directive of the Reserve Bank does not preclude banks from adopting uniform rates.

Imposition of Cuts on Expenditure

4531. SHRI SANAT KUMAR MANMAL : Will the Minister of FINANCE be pleased to state :

(a) whether in view of the massive deficit in the General Budget 1985-86, Government propose to impose severe cuts on avoidable expenditure and stricter control over expenses to improve the financial condition;

(b) if so, the measure contemplated in the matter;

(c) whether Government are considering any proposal to grant free lift to senior officers to pick them up from their residences and drop them in the evening; and

(d) if so, the financial implications of this proposal and its burden on the Public Exchequer ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The overall uncovered deficit estimated at Rs. 3349 crores in the Budget for the year 1985-86 is lower than that in the financial year 1984-85 and is considered reasonable. It would not be desirable to enforce cuts in Plan expenditure which is essentially developmental in nature. Estimates of non-Plan expenditure included in the Budget have been kept to the minimum after careful scrutiny. However, it is a continuing process for the Government to initiate measures to curb in essential and non-productive expenditure. In recent times Government issued orders banning creation of posts/filling up of vacancies except in the most exceptional circumstances. Efforts are made through work measurement studies conducted by the Staff Inspection Unit of the Ministry of Finance/Internal Work Study Units in the

various Ministries/Departments to identify and locate surplus staff and prevent creation of avoidable posts. Measures have also been taken to curb office expenses like those on telephones, new furniture, entertainment, cars, consumption of petrol and performance of air journeys by non-entitled officers.

(c) and (d). In the context of the need to maintain the secrecy and confidentiality of official papers and having regard to the fact that senior officers have often to carry such papers to their residence, instructions were issued in February, 1985 classifying journey between office and residence by senior officers of the rank of Joint Secretary to the Government of India and above in official car as duty journey. The consequential financial implications of these instructions are likely to be minimal as the orders are only an enabling measures and do not confer any right to the facility in a routine manner. The existing restrictions regarding purchase of staff cars or on quarterly consumption of petrol remain unchanged.

Leasing of LIC Land and Building to a Hotel in Calcutta

4533. SHRI PIYUSH TIRAKY : Will the Minister of FINANCE be pleased to state :

(a) whether the Life Insurance Corporation has leased its land and 13-storeyed building to certain hotel in Calcutta;

(b) if so, the details of the terms and conditions of the agreement of lease;

(c) whether the land alone costs Rs. five crores and LIC has spent another sum of Rs. seventy five lakhs to construct the building whereas it is charging a nominal rent of Rs. 65,235.84 p.a. month inclusive of all charges ;

(d) the details of the building and the amount spent for decorating it;

(e) whether a sum of Rs. two crores is due from the hotel and LIC could not realise it; and

(f) if so, the action being taken in the matter ?