

Treasury Bills

3021. SHRI ATAL BIHARI VAJPAYEE :
 SHRI NIRMAL KANTI CHATTERJEE :
 DR. LAXMINARAYAN PANDEYA :
 MAJ. GEN. (RETD.) BHUWAN
 CHANDRA KHANDURI :
 SHRI AMAL DATTA :

Will the Minister of FINANCE be pleased to state :

(a) the amount of additional treasury bills issued by the Government of India between April 1, 1995 and July 31, 1995; and

(b) whether there has been an enormous monetary expansion in the current financial year resulting in upsurge of inflation rate causing threat to the economy; and if so, the steps taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) The additional 91 day Treasury Bills issued during the period between 1.4.1995 to 31.7.1995 amounted to Rs. 17247 crore.

(b) There has been a smaller monetary expansion in the current financial year upto November 10, 1995 - Rs. 30,174 crores (5.7 percent) as against Rs. 56,855 crore (13.1 percent) in the last financial year upto November 11, 1994. From 10.4% at the start of the current financial year there has been a continuous, though gradual, decline in inflation rate touching a low of 7.96 per cent (provisional) by the end November, 1995. Some of the steps taken by the Government during the current financial year to moderate the growth of prices are :

- (i) Strengthening of Public Distribution System and supplementing supplies, if necessary, by imports such as edible oils and sugar.
- (ii) Adjustment in trade and tariff policies in the Budget for current year to ensure that domestic prices of industrial products remain competitive.
- (iii) Substantial reduction in excise duties on a number of items.
- (iv) Reduction of fiscal deficit in the budget proposals for the current financial year.
- (v) Placing a cap on Central Government's borrowing from the RBI through the issue of ad-hoc Treasury Bills and containing monetary growth through a series of measures including adjustments periodically of CRR and sale of Government Securities by the RBI.

Employment in Tobacco and Beedi Sector

3022. SHRI S.M. LALJAN BASHA : Will the Minister of LABOUR be pleased to state :

(a) whether the Government have directed to National Commission on Applied Economic Research (NCAER) to study the economic impact of restrictive legislation on employment in the tobacco and beedi sector;

(b) if so, the details thereof;

(c) the ambit of such a study;

(d) whether any guidelines have been issued in this regard; and

(e) if so, the details thereof?

THE MINISTER OF LABOUR (SHRI G. VENKAT SWAMY) : (a) to (e). No such proposal is under consideration at present.

Losses by Regional Rural Banks

3023. SHRI RAM KAPSE :
 SHRI RAJENDRA AGNIHOTRI :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government have received the latest report of the NABARD;

(b) if so, the losses incurred and profit earned by each of the Rural Banks as on March 31, 1994 and March 31, 1995; and

(c) the steps taken for recovery of the loss and the action taken against the officials found responsible for such losses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) Presumably the Hon'ble Member is referring to the annual review report of the working of Regional Rural Banks (RRBs). A report for the year ended on 31.3.94 has been received from NABARD.

(b) A statement showing the losses incurred and profit earned by each of the RRBs as on March 31, 1994 and March 31, 1995 is enclosed.

(c) The losses incurred by the RRBs are mainly on account of low margins, high establishment costs relative to volumes of business and poor recoveries. As such, these losses cannot be related to the working of the officers of the banks. The efforts for financial recovery of these banks are being made through a comprehensive revamping process including implementation of bank specific development action plans, signing of memoranda of understanding by these banks with their sponsor banks, identification of banks in batches for cleansing of balance sheets and through policy relaxations made by Reserve Bank of India for increasing the earnings on Assets.