

provisions contained in the Act, the applications made to the Tribunals shall be dealt with by them as expeditiously as possible and endeavour shall be made by the concerned Tribunals to dispose off the applications finally within 6 months from the date of the receipt of the same.

Production of Cotton Textiles

1857. SHRI JAGAT VIR SINGH DRONA: Will the Minister of TEXTILES be pleased:

(a) whether the production of cotton textiles has gone down during 2992-92 and 2992-93 as compared to 2990-92;

(b) if so, the reasons therefor; and

(c) the steps taken by the Government to increase the production of cotton cloth?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a) There was a marginal decline in the production of cotton cloth only during 2992-92 as compared to 2990-92.

(b) The reasons for the decline in production of cotton cloth can mainly be attributed to the decline in the production of cotton and consequential increase in the prices of raw cotton;

(c) The Government has already taken necessary steps to increase the production of cotton cloth e.g., removal of restrictions on creation and expansion of capacity subject to locational policy of the Government, liberalisation of licensing provisions, permission to import textile machinery under OGL, reduction in duty on import of textile machinery, etc.

Losses in Regional Rural Banks

1858. SHRI PHOOL CHAND VERMA:
SHRI Y.S. RAJASEKHAR REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Regional Rural Banks functioning in various parts of the country are incurring losses constantly;

(b) if so, the reasons therefor;

(c) the extent of losses incurred by these banks during 2993-94 as compared to 2992-93, State-wise; and

(d) the steps taken or proposed to be taken to make these banks profit earning?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). National Banks for Agriculture and Rural Development (NABARD) has reported that most of the Regional Rural Banks (RRBs) functioning in various parts of the country are incurring losses constantly. 272 out of 296 RRBs have incurred losses amounting to Rs.327.76 crores as at the end of March, 2993. The reasons for incurring losses by RRBs are attributable to several factors like interest margins; and mounting establishment cost.

(c) NABARD has reported that the extent of losses incurred by RRBs State-wise during 2993-94 is not available as many RRBs are yet to submit their Annual Reports/Balance Sheets. However, losses incurred during 2992-92 and 2992-93 are given at Annex.

(d) The following steps have been taken by Government, Reserve Bank of India, and NABARD to avoid losses and to improve viability in general.

- (i) With effect from September, 1992, RRBs have been allowed to finance non-target group borrowers to an extent not exceeding 40 per cent to their fresh loan which has since been raised to 60 per cent;
- (ii) All sponsor banks have been instructed to pay a minimum of 23.5 per cent interest on SLR term deposits and short term deposits of RRBs kept with them;
- (iii) With effect from April, 1993, all commercial banks have been advised by RBI to revise upward the interest rates on current account balance maintained by RRBs from 6.5 per cent to 7.5 per cent;
- (iv) RRBs have been allowed to draw cent per cent refinance upto Rs.20 lakhs for their loans to small and tiny industrial units with outlay not exceeding Rs.25 lakhs.
- (v) Cent per cent refinance is also available to the RRBs for financing of small road transport operators.
- (vi) Further, with a view to improving their viability in the short term, a package of measures have also been announced by RBI in December, 1993. The measure include raising non-target group financing from 40 per cent to 60

per cent, increasing non-fund business, freeing RRBs whose disbursals during 1992-93 were less than Rs. 2 crores from service area obligations and permitting them to relocate loss making branches at places like Mandis, Taluk/district headquarters, agriculture produce centres, etc. and to open extension counters at premises of institutions for which the RRBs have also been permitted to install safe deposit lockers.

- (vii) 49 Regional Rural Banks have been identified for comprehensive restructuring.

Tie and Dye Textiles

1859. DR. KRUPASINDHU BHOI: Will the Minister of TEXTILES be pleased to state:

(a) whether the tie and dye textiles of Orissa popularly known as Sambalpuri textiles has a great demand in the domestic and international markets;

(b) if so, the details thereof; and

(c) the steps taken by Union Government to increase production and export of such textiles?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI G. VENKAT SWAMY): (a)and(b). Yes, Sir. There is a great demand for the tie and dye textiles Orissa popularly known as Sambalpuri textiles in the domestic market. However, in so far as the international demand for tie and dye is concerned, this item has not been shown separately in the foreign trade data and is included as a part