

members of the Council.

The Director of the IDSA is responsible for the day-to-day administration and effective functioning of the Institute. The IDSA is required to submit annual progress along with the audit certificate.

In the case of the mountaineering institutes the Ministry of Defence shares the responsibility of running the institutes along with the concerned States. The Prime Minister is the President of HMI and JIM while the Defence Minister is the President of NIM. The meetings of the Executive Council and General Body of the institutes are held every year under the Chairmanship of the Prime

Minister/Defence Minister. One of the objectives of these meetings is to review the functioning of the institutes and suggest measures for improvement. The Principals of the Institutes are Service Officers who are posted to these Institutes on a tenure basis and are responsible for day-to-day administration and effective functioning of the institutes. Quarterly reports are called for by the Ministry to watch their functioning. Secretaries of the Institutes hold review meetings with the Principals and an annual meeting of the Principals is also held to review the functioning of the Institutes.

(d) The Ministry of Defence has given the following aid to these Institutes during 1985-86 and 1986-87:

	1985-86	1986-87
IDSA	Rs. 40,40,789.75*	Rs. 49,73,000.00
HMI	Rs. 8,78,763.00	Rs. 10,71,347.00
NIM	Rs. 14,00,976.00	Rs. 11,84,829.00
JIM	Rs. 33,460.00	Rs. 1,45,110.00

* (In additional grant-in-aid of Rs. 97,300.00 was provided by the Ministry of External Affairs.

Modernisation of Ordnance Factories

3300. SHRI PRATAPRAO B. BHOSALE: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have taken various measures to modernise the existing Ordnance Factories;

(b) if so, the details thereof;

(c) total amount involved and target fixed phase-wise;

(d) whether Flexible Machining System

has been introduced in Ordnance Factories; and

(e) if so, the details of this system and benefits to be achieved from it?

THE MINISTER OF STATE IN THE DEPARTMENT OF DEFENCE PRODUCTION AND SUPPLIES IN THE MINISTRY OF DEFENCE (SHRI SHIVRAJ V. PATIL):
(a) to (e) Modernisation of Ordnance Factories, is an ongoing process and it is undertaken by renewal and replacement programme of the existing plant and machinery by sophisticated and modern ones and also by making capital investments for manufac-

ture of modern weapons and equipments, of modern technology. The expenditure in recent years and the provision in the budget of the Ordnance Factories on renewal and replacement (RR) of plant and machinery and new capital (NC) for the purpose is given below:

Year	Investment on RR & NC in Rs. Crores
1985-86	22.85
1986-87	19.72
1987-88 (Provisional)	27.23

2. It has been planned to introduce flexible machining system for the modernisation of production lines in Ordnance Factories as part of new projects for the manufacture of armaments and ammunition. Use of such machines, which involve higher capital outlay will increase productivity, reduce rejections, economise on input costs and allow of quick changes in product-mix with reduced lead time and lesser cost.

Tightening of Credit Policy

3301. DR. G. VIJAYA RAMA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether tightening of credit policy has been announced by the Reserve Bank of India as reported in 'Times of India' of 18th October, 1987; and

(b) if so, full details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). Reserve Bank of India has announced the credit policy for the second half of 1987-88 on October 17, 1987. The main objective of

credit policy is to meet fully the credit requirements of agriculture, industry, exports and at the same time preventing excessive monetary expansion keeping in view the need for containing inflationary pressures. With a view to ensure that bank credit is not utilised for speculative activities in sensitive commodities, the requirements of minimum margins have been enhanced. The following main changes have been affected in the credit policy for the current busy season;

- (i) Cash Reserve Ratio (CRR) required to be maintained by the scheduled commercial banks with the Reserve Bank was increased from 9.5% of their net demand and time liabilities to 10% with effect from October 24, 1987.
- (ii) Effective from October 19, 1987, the minimum margins in respect of paddy/rice, pulses and other food-grains (excluding wheat) were raised across the board by 15 percentage points.
- (iii) The base for determining export refinance limits available to banks was retained unchanged at 100 per cent of the increase in the monthly average export credit in 1984. This ensures that the export refinance limits remain higher by about Rs. 430 crores than if the base had been brought forward to the monthly average level of export credit for 1986.

Rise In Gold Price

3302. SHRI RANJIT SINGH GAEKWAD: Will the Minister of FINANCE be pleased to state:

(a) The price of gold prevailing on