

duty is leviable on paper and paper boards manufactured out of pulp containing not less than 50 per cent by weight of pulp, made from materials other than bamboo, hard woods, soft woods, reeds or wags, subject to certain other conditions. This concession has *inter alia* been available to paper manufactured out of waste paper and so is the reduction in excise duty of Rs. 300 per tonne announced in this year's budget.

(d) Government do not consider it necessary to restrict the scope of notification No. 139/86— Central Excises dated the 1st March, 1986.

Bank of Baroda

9025. PROF. MADHU DANDAVATE: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has imposed a heavy penalty on the Bank of Baroda for its failure to maintain the cash reserve ratio and statutory liquidity ratio;

(b) whether the Bank of Baroda has stopped all loans and advances due to the poor financial position;

(c) whether the inspection reports on slow advances/loans of the Bank are being acted upon; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) According to the information available from Reserve Bank of India (RBI) the Bank of Baroda has not defaulted in the maintenance of statutory Liquidity Ratio (SLR) during September 1985, (when provision of penal interest on SLR short-falls came into force) to January 1988 (latest available). The bank has also

not defaulted in the maintenance of Cash Reserve Ratio (CRR) during the year 1986. The bank, however, defaulted marginally during the year 1987 for two fortnights but was not liable for payment of any penal interest.

(b) to (d). The Bank of Baroda has reported that it has not stopped expansion of credit. It has, however, advised its field functionaries to obtain clearance from Head Office for such loans which do not fall in the priority sector. The bank has also reported that on inspection report follow up action is being taken by it on a continuing basis.

Collection in Vishakhapatnam by way of Excise/Customs Duty and Income tax

9026. SHRI BHATTAM SRIRAMA MURTY: Will the Minister of FINANCE be pleased to state:

(a) the amount collected from the Port and Steel city of Vishakhapatnam by Union Government by way of (a) Central Excise, (b) Customs duty, (c) Income Tax etc. in 1984-85, 1985-86, 1986-87 and 1987-88;

(b) whether Union Government have considered the question of earmarking annually at least 1 per cent of the Central Revenues generated in Visakhapatnam by way of Taxes and duties for the overall growth and maintenance of the city; and

(c) whether any policy decision has been taken by Union government to set apart at least one percent of capital investments of its undertakings for the development of the Town?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K.PANJA): (a) Information is being collected and will be laid on the Table of the House (b) and (c) Incurring of expenditure on the development and maintenance of