

private sector banks and has programmed the reduction of gross fiscal deficit to 5% of GDP.

#### Private Sector Banks

1973. Shri RAJENDRA AGNIHOTRI : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the news-item captioned "Private Sector Banks for level-playing field" appearing in the 'Hindustan Times' dated June 8, 1996;

(b) if so, the facts thereof; and

(c) the remedial steps proposed to be taken by the Government in this regard?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) The President of the Private Sector Banks Association has raised certain issues, like, not inviting the representatives of the private sector banks during the credit policy meeting convened by Governor, RBI, non-acceptance of guarantees issued by private sector banks by Government Departments and public sector undertakings, non-reckoning of current account balance maintained with private sector banks as eligible assets for SIR purpose, non-banking financial companies (NBFCs) can deposit the liquidity required to be maintained by them only with nationalised banks, etc.

(c) Reserve Bank of India (RBI) has reported that the issue of inviting some representatives of private sector banks on a regular basis is under its examination. 'Private Sector Banks' had been invited on some occasions. RBI has further reported that bank guarantees can be freely accepted by Central Government Departments, Railways and State Governments from all scheduled commercial banks. As regards computation of SLR, RBI has stated that as per the provisions of Section 24 of the Banking Regulation Act, balances in the current account maintained with the public sector banks only are eligible for computation of SLR.

So far as deposit of the amount of liquidity by NBFCs is concerned, RBI has reported that there is no discrimination against private sector banks. The only condition is that the bank should be scheduled.

#### Higher Denomination Notes

1974. SHRI ANAND RATNA MAURYA :  
SHRI SATYADEO SINGH :  
SHRI MAHESH KUMAR M. KANODIA :  
SHRI PANKAJ CHOWDHARY :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to introduce thousand, five thousand and ten thousand denomination currency notes in the near future;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) There is no proposal under consideration of the Government at this stage to introduce 1000, 5000 and 10000 denomination currency notes.

(b) and (c). Does not arise.

#### Export to Russia under Debt Repayment Fund

1975. SHRI PRABHU DAYAL KATHERIA :  
SHRI ANANTH KUMAR :

Will the Minister of FINANCE be pleased to state :

(a) whether some cases of illegal diversion of goods meant for Russia under debt repayment funds to third countries have come to the notice of the Government;

(b) if so, the details of such cases detected so far during 1995 and 1996; and

(c) the action taken against the persons found guilty?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). Some cases of exports meant for Russia but diverted to other countries have been reported to the Government. Such cases of diversion have been reported by Reserve Bank of India in respect of nine cases, by Directorate of Revenue Intelligence in one case and Enforcement Directorate in respect of three cases. Investigations and adjudication proceedings are in progress.

(c) Nature of action taken would be known only after completion of all the investigations and adjudication proceedings.

#### Disbursal of Bank Loans to S.S.Is

1976. SHRI N. DENNIS : Will the Minister of FINANCE be pleased to state the details of the latest guidelines issued by the Government to the banks regarding disbursal of loans for starting small scale industries and release of funds under poverty alleviation programme?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : Government does not issue any guidelines to the commercial banks regarding disbursal of loans. However, guidelines issued by Reserve Bank of India (RBI) in March, 1984 provide that all loan applications upto a credit limit of Rs.25,000/- shall be disposed of within 8 to 9 weeks. Banks have been advised that requests for increase in limits should be considered expeditiously and decisions should be taken promptly. Further, all cases of rejections/curtailment of limits to Small Scale Industrial (SSI) units should be looked into by the next higher authority so as to ensure that the entrepreneurs are not put to unnecessary hardships.

The details of broad guidelines issued by the RBI to all scheduled commercial banks following the acceptance of the recommendations of Nayak Committee Report, inter-alia include :

- i) to grant working capital credit limits to SSI units computed on the basis of a minimum of 20% of their projected annual turnover to the SSIs whose credit limits in individual cases is less than Rs.one crore;
- ii) to give preference to village industries, tiny industries and other small scale units in that order while meeting the credit requirements of the sector;
- iii) to prepare annual budget on the "bottom-up" basis to ensure that the legitimate requirements of SSI sector are met in full during the VIII Five Year Plan period;
- iv) to ensure that there should not be any delay in sanctioning and disbursal of credit to SSI sector; and
- v) to extend the 'Single Window Scheme' of Small Industries Development Bank of India (SIDBI) to all districts.

Under Integrated Rural Development Programme (IRDP), back-end subsidy system has been introduced with effect from February, 1996. As per the scheme, full project cost including subsidy would be disbursed to the borrowers as loan by banks. Subsidy amount would be kept in the form of fixed deposit in the name of the beneficiary subject to the bank's lien. The repayment schedule of loan would be drawn in such a way that the fixed deposit (subsidy) alongwith the interest accrued for the entire period of the deposit in compounded manner would be sufficient for adjustment towards the last few instalments. The availability of the benefit of subsidy to borrowers would be contingent on their proper utilisation of loan as also its prompt repayment and maintaining the asset in good condition.

Under the Scheme of Urban Micro Enterprises (SUME), a poverty alleviation programme under Nehru Rozgar Yojana (NRY), RBI in June, 1990, had inter-alia advised the banks that as far as possible the entire loan amount and subsidy may be disbursed together in one instalment. Disbursement of loan in stages (not exceeding three in any case) might be done in exceptional cases and for valid reasons. Banks should disburse the the entire amount of subsidy eligible to the borrower in such cases as soon as 25 per cent of the sanctioned loan amount is disbursed.

Under the Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUPEP) RBI in January, 1996 advised the banks that the subsidy to be given by the Government would be passed on to the banks through the Urban Local Bodies in advance so that the bank branch disbursing loan may treat subsidy amount as fixed deposit in the name of the borrower.

#### Export of Agro-Products

1977. SHRI SARAT PATTANAYAK :  
SHRIMATI VASUNDHARA RAJE :  
SHRI MANIKRAO HODLYA GAVIT :

Will the Minister of COMMERCE be pleased to state:

(a) the total quantity of foodgrains exported and the foreign exchange earned therefrom during each of the last three years, country-wise and item-wise

(b) whether the Government have any proposal to increase the export of agro-products during 1996-97;

(c) if so, the details thereof; and

(d) the steps taken by the Government to boost the export of agro-products?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The quantity and value of foodgrains exported during the past three years have been as follows :

Item	Quantity : In Metric Tonnes		Value : In Rupees Crores			
	1993-94		1994-95		1995-96	
	Qty.	Value	Qty.	Value	Qty.	Value
1. Rice	767687	1286.71	890620	1205.79	5512601	4553.01
2. Wheat	390	20.58	86628	42.34	617211	360.90
3. Coarse Grains	148316	34.02	50507	28.03	28047	17.15
Total	916393	1341.31	1027755	1276.16	6157859	4931.06

(Source : DGCI&S, Calcutta)

The country-wise export figures are available in the monthly bulletin/annual numbers of the Foreign Trade Statistics Published by the DGCI&S, Calcutta, copies of which are available in the Parliament Library.