

ments are made by the party concerned to the bank's satisfaction. The limits on the maximum number of banks permissible in each consortium arrangement has been removed. It would, however be advisable to limit the number of banks in formal consortium arrangements to around ten.

vi) *Housing Finance*: The following

<i>Amount of loan</i>	<i>Rate of Interest (% p.a.)</i>
upto Rs. 20,000/-	12.5
Above Rs. 20,000/- & upto Rs. 50,000/-	13.5
Above Rs. 50,000/- and Rs. 1 lakh	14.0
Above Rs. 1 lakh	14.5-16.0

The rate of interest on housing loans to Scheduled Castes/Scheduled Tribes upto and inclusive of Rs. 5000/- remains unchanged at 4%.

(c) As a result of changes in lending rates the banks will have the discretion to lower the earlier fixed rate of 16.5% for some parties while they can raise the rate for others taking into account the quality of the borrowal account. The lending rates in the case of individual borrowers which were earlier subject to a fixed rate of 16.5% could rise, fall upto 16% or remain at 16.5%.

(d) and (e). Reserve Bank of India has reported that after making adjustment for differential in inflation rates, the average lending rates in India are broadly comparable to these in many developed countries.

#### **Export of Engineering Goods**

405. SHRI SATYENDRA NARAYAN

changes have been made:

- i) Maximum loan period extended from 10 years to 15 years.
- ii) Margin requirements relaxed under graded scale with the maximum fixed at 35%.

III. *Lending rates altered effective from October 10, 1988 as under.*

SINHA: Will the Minister of COMMERCE be pleased to state:

(a) whether engineering export growth has slowed down in the current financial year as reported in the Economic Times dated 13th October, 1988;

(b) if so, whether there is likelihood of the export target of Rs. 2,000 crores not being attained;

(c) whether Engineering Export Promotion Council (EEPC) has urged a 10 per cent cash compensatory support to help Indian engineering exports to compete in international market; and

(d) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DASMUNSI): (a) No, Sir. A comparison of

the export figures for comparable periods in 1988-89 vis-a-vis the same period in 1987-88 show an upward trend.

(d) Does not arise.

(c) and (d). No, Sir. The proposal of the Engineering Export Promotion Council for an additional 10 percent cash support was made only in relation to project exports.

[*Translation*]

**Opening of New Branches by Nationalised Banks**

406. SHRI MANVENDRA SINGH: Will the Minister of FINANCE be pleased to state:

(a) the number of branches likely to be opened by the nationalised banks during the current year and upto March, 1989 in

Mathura city and adjoining areas;

(b) the names of the banks granted license by the Reserve Bank to set up new branches; and

(c) the number of rural farmers, small traders and unemployed youths likely to get loan from the proposed new bank branches?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). Reserve Bank of India (RBI) has reported that Branch Expansion Programme for the Seventh Plan period relating to urban, metropolitan and port town centres has been finalised and eligible centres have been allotted to various applicant banks. RBI has allowed two banks to open their branches in Mathura City as per details given below:-

<i>Name of Bank</i>	<i>Name of centre</i>	<i>Date of opening of the branch</i>
Syndicate Bank	Mathura-Jayshingpura (by upgradation of extension counter at methodist Hospital)	6.8.1988
UCO Bank	Mathura-Dhaulti Plan	25.3.1988

Apart from these two urban centres, RBI has allotted 12 rural centres to banks for opening their branches in District Mathura under the current Branch Expansion Programme.

(c) Data reporting system of RBI regarding disbursement of loans does not generate branchwise information. It is also not possible to indicate the number of beneficiaries who are likely to get bank finance from a new branch.

**Cases of Embezzlement In Nationalised Banks In New Delhi**

407. SHRI MANVENDRA SINGH: Will

the Minister of FINANCE be pleased to state:

(a) the number of cases of embezzlement by the employees of nationalised banks in New Delhi which came to light since August, 1988 to date;

(b) the names of the banks, and the amount embezzled in each bank; and

(c) the steps taken by Government to check such cases of embezzlement?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS