

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) and (b). Trade between India and Bangladesh is regulated under the provisions of the Indo-Bangladesh Trade Agreement, which was signed on 28th March, 1972. A copy of the Agreement has been placed in the Parliament Library.

**672. SHRI C. K. JAFFER SHARIFF:
SHRI D. B. CHANDRA
GOWDA:**

Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that deposits in foreign banks are increasing and posing a challenge to the Nationalised Banks and other private banks; and

(b) if so, whether Government propose to put severe restrictions on the activities of foreign banks to enable the nationalised and other Indian banks to handle larger amount of foreign trade of the country besides helping them in their deposits mobilisation efforts?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN) (a) Between February 5, 1971 and February 4, 1972 the deposits of foreign banks operating in India increased from Rs. 557.2 crores to Rs. 628.4 crores which represented a rise of 12.8 per cent. Between February 4, 1972 and February 2, 1973 the deposits increased from 628.4 crores to Rs. 698.1 crores which represents an increase of 11.1 per cent. As against these deposits of the Indian Scheduled Commercial banks increased by 20.8 per cent for the same period in 1971-72 and 20.9 per cent for the same period in 1972-73. Further the share of foreign banks in the aggregate deposits of all scheduled commercial banks has declined progressively from 9.7 per cent on February 5, 1971 to 9.1 per cent on February 4, 1972 and to 8.4 per cent on February 5, 1973. The deposits of foreign banks cannot

therefore be said to pose a challenge to the deposits of nationalised and other private banks.

(b) The share of foreign banks in financing foreign trade has quoted during the last 10 years. The outstanding amount of foreign bills purchased and discounted by foreign banks in India as a proportion of the amount handled by all scheduled commercial banks dropped from 43 per cent in 1961-62 to 27 per cent in 1971-72. There is therefore no need at present to impose restrictions on the activities of the foreign banks. However, the Reserve Bank already has powers under the Reserve Bank of India Act and the Banking Regulation Act to control the operations of the foreign banks.

Separate Corporation for Dry Fruit Trade

**673. SHRI ARVIND M. PATEL:
SHRI SAT PAL KAPUR:**

Will the Minister of COMMERCE be pleased to state:

(a) whether Government are considering a proposal to set up a separate Corporation to handle dry fruit trade; and

(b) if so, the broad outlines thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) No, Sir.

(b) Does not arise.

Survey Reports under lead Bank Scheme

674. SHRI C. JANARDHANAN: Will the Minister of FINANCE be pleased to state:

(a) whether under the Lead Bank Scheme, survey reports of all the Districts have been prepared and if so, the main features of the Reports;