

cludes non-departmental public sector undertakings, was Rs. 76 crores and Rs. 204 crores respectively. During the current fiscal year (upto November 9, 1973) while the net bank credit to Government sector has shown an increase of Rs. 1069 crores, the net bank credit to commercial sector has shown a decline of Rs. 476 crores.

(c) The increase in money supply is likely to accentuate inflationary pressures in the economy if not compensated by increase in supply and availabilities of goods and services.

Closure of Cashew Factories in Kerala

2976. SHRIMATI BHARGAVI THANKAPPAN: Will the Minister of COMMERCE be pleased to state:

(a) whether a number of cashew factories in Kerala have closed down recently for want of raw cashew nuts;

(b) if so, the names of such factories; and

(c) the extent of loss suffered as a result thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) to (c). Cashew processing industry in India is a seasonal one depending upon supplies of indigenous cashewnuts during May—September and on imported cashewnuts during the remaining part of the year. Availability of raw cashewnuts from indigenous production as also through imports being short of the installed capacity of the industry, cashew factories remain closed for a few months in the year, and some units intermittently. This being a phenomenon in this industry, the Government is not aware of the number, names and the extent of loss of the cashew factories which remain so closed.

Grant of pre-shipment advances by commercial banks to exporters of silver ornaments/wares

2977. SHRI E. V. VIKHE PATIL: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has decided to allow scheduled commercial banks to grant pre-shipment advances to exporters of silver ornaments/wares without insisting on lodging of letters of credit/firms export orders if so, outlines thereof;

(b) the reasons therefor;

(c) whether any vigilance machinery has been set up to ensure that silver of substantial purity is not smuggled out of the country in the form of ornaments/wares which do not have much of labour content in the value added to silver metal used therefor; and

(d) the names of parties which have exported silver wares/ornaments during 1971, 1972 and 1973 together with the value thereof and the countries to which such exports were made?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) and (b). In order to meet the special requirements of exporters of silver ornaments/wares as also to promote the export of these articles, the Reserve Bank recently decided to modify some of the requirements of Pre-shipment Credit Scheme. In its circular issued in this behalf on 25th September, 1973, the Reserve Bank has informed all eligible scheduled commercial banks that in view of the special trading practices in regard to the export of silver ornaments/wares, the banks may make pre-shipment advances to exporters of these articles without insisting on lodgement of letters of credit/firm export orders. While sanctioning such credit limits, banks have to take into account the past performance of exporters as well as export performance guarantee, if any, to be given by them. A separate account is to be opened by the banks from the stage silver is procured by the exporter for the purpose of manufacture of ornaments/wares for export. The outstandings in this account are to be extinguished by negotiation of the relative export bills or by remittances received from abroad in respect of the exports effected within a period of 180 days from the date of exceeding 8 per cent per annum on such