

(b) if so, the details thereof; and

(c) the amount of foreign exchange earned as a result thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL) : (a) and (b) Yes Sir. M/s. Mitsubishi Heavy Industries (MHI). Japan placed an order on BHEL for supply of one 700 HP Diesel Electric shunting Locomotive for their Fertilizer Project in Malaysia.

(c) Sale price of the locomotive was US \$ 4,90,000. Full payment has been received.

Loan to Assam

2703. SHRI NRIPEN GOSWAMI : Will the Minister of FINANCE be pleased to state:

(a) whether the Government have announced any specific amount for relief to the Government of Assam from the burden of repayment of special term loans granted in the context of militancy; and

(b) if so, the details of the relief amount announced and is being implemented in the State ?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The question does not arise as no special term loans were granted to the Government of Assam in the context of militancy.

Grants to Exporters of Handlooms/Handicrafts

2704. DR. SAROJA V. : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government provide grants to the exporters for the export of handloom cloth and handicrafts;

(b) if so, the number thereof and the amount of grants provided to them during each of the last three years; state-wise;

(c) whether the Government have also identified any bogus agencies which have been receiving such grants; and

(d) if so, the details thereof and action taken by the Government against them ?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) No, Sir.

(b) to (d) Do not arise.

[Translation]

Bank Loans

2705. SHRI DATTA MEGHE : Will the Minister of FINANCE be pleased to state :

(a) the amount of loan given by various nationalised banks during 1998-99, so far;

(b) the amount of loan recovered during the said year; and

(c) the estimated loan recovery yet to be made by the banks?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) The outstanding bank credit of nationalised banks during 1998-99 upto January 15, 1999 was Rs. 172711.8 crore.

(b) and (c) The information is being collected and to the extent available will be laid on the Table of the House.

[English]

Contribution by Private Banks in RIDF

2706. DR. BIZAY SONKAR SHASTRI :

SHRI JANG BAHADUR SINGH PATEL :

Will the Minister of FINANCE be pleased to state :

(a) whether attention of the Government has been drawn to the news-item captioned "RBI asks 9 private Banks to deposit Rs. 562 crores in RIDF" appearing in the Indian Express dated October 18, 1998;

(b) if so, the names of banks which have defaulted in the matter and the action the Government propose to take against such banks, bank-wise;

(c) whether the private sector banks have also not achieved the laid down target in distributing loans under IRDP, PMRY and other rural related schemes of the Union Government;

(d) if so, the reasons for not following the instructions of the Reserve Bank of India by private banks; and

(e) the action taken/proposed to be taken by the Government against those private banks?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) Yes, Sir. Reserve Bank of India (RBI) has reported that nine private sector banks which had not achieved the priority sector lending target of 40 percent of net bank credit as on March 1998 had been asked to allocate amounts equivalent to the entire shortfall for contribution to Rural Infrastructure Development Fund (RIDF) -IV. The details of the banks and the amounts allocated are given below:

S. No.	Name of the bank	Amount allocated (Rs. crore)
1.	Bank of Rajasthan Ltd.	42.27
2.	Ratnakar Bank Ltd.	9.69
3.	Benaras State Bank Ltd.	13.42
4.	SBI Commercial and International Bank Ltd.	18.59
5.	UTI Bank Ltd.	324.83
6.	ICICI Banking Corporation Ltd.	22.19
7.	Centurion Bank Ltd.	100.77
8.	Bank of Punjab Ltd.	13.15
9.	IDBI Bank Ltd.	26.74
	Total	571.65

(d) to (e) RBI has reported that under Prime Minister's Rozgar Yojana (PMRY) targets are allotted to banks both in the public and private sector. However, only about 7 percent of targets is given to private sector banks, on which the level of achievement was about 60 percent of the target. Some of the reasons for the low level of achievement under PMRY are non-availability of enough number of viable and bankable proposals among the applications sponsored, fear of addition to the non-performing asset (NPAs) level and poor recovery position under Government-sponsored schemes.

In so far as Integrated Rural Development Programme (IRDP) is concerned, RBI has reported that separate data relating to performance of private sector banks is not maintained by them. Private sector banks are also required to lend under Differential Rate of Interest (DRI) scheme a minimum of 1% of their aggregate advances as at the end of the previous year. This target has not been achieved by the private sector banks. The reasons attributed for non-achievement of the target under the scheme include, inter-alia, preference of capital subsidy linked programmes like IRDP, PMRY, etc. by the borrowers, much higher quantum of loan assistance available in other schemes than the maximum under DRI and low income ceiling fixed for determining eligibility. However, all scheduled commercial banks have been advised by RBI to take immediate steps to improve their performance in implementation of the DRI scheme.

The private sector banks are required to lend 40 percent of their net bank credit to the priority sector. As on March 1998, the private sector banks had, as a group, achieved the priority sector target of 40 percent. However, the above indicated nine banks which had not achieved the target have been given allocations for deposit in RIDF-IV maintained with National Bank for Agriculture and

Rural Development (NABARD). RBI has further asked these nine banks to place deposits in RIDF-IV as and when required by NABARD which will depend on the anticipated disbursements to State Governments under RIDF-IV.

Amalgamation of Banks

2707.DR. ULHAS VASUDEO PATIL :

SHRI PRASAD BABURAO TANPURE :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are preparing a plan for outright sale of its stake in the smaller and profitable public sector banks to the larger and more profitable ones;

(b) if so, whether RBI's stake in the SBI is also being reduced;

(c) if so, the main objectives behind this idea;

(d) whether Narasimhan Committee has also suggested for merger between larger and smaller banks to take advantage of skill and to meet the global challenges;

(e) if so, the time by which this plan is likely to be operationalised; and

(f) whether employees interest have been kept in view while amalgamating the banks?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) No, Sir.

(b) There is no such proposal presently under the consideration of the Reserve Bank of India.

(c) Does not arise.

(d) and (f) The Narasimhan Committee on Banking Sector Reforms has, inter-alia, recommended "mergers need to be based on synergies and locational and business specific complementarities of the concerned institutions and must obviously make sound commercial sense". The Committee has also recommended that "merger of public sector banks should emanate from the managements of banks with the Government as the common shareholder playing a supportive role". The Committee has noted that "mergers to be meaningful and useful should not be a mere arithmetical merger of balance sheets and staff of the banks but should yield benefits in terms of staff and branch network rationalisation. Unless these benefits can become available, mergers of public sector banks would tie down managements with operational issues". The Committee has also noted that "it would be necessary in this connection to evolve policies aimed at right-sizing and redeployment of the surplus staff.