

*Question**Question*

ject to scrutiny under Exchange Control and Income Tax Act.

1990-91 showing an increase of 22.61 per cent.

- (ii) The State Bank of India is to issue India Development Bonds in US Dollars which could be purchased by NRIs and overseas corporate bodies (OCBs). The Bonds will have a maturity period of five years and can be gifted to residents. These Bonds are exempt from Wealth Tax and Income Tax till maturity, payable in Rupees in India—both principal and interest; if gifted to a resident. However, for the NRIs the face value of the Bond along with interest is repatriable, with exchange rate—protection, on maturity.

(c) In order to contain increase in non-developmental expenditure of the States the Planning Commission has been emphasising during the course of the discussions with the State Governments the need for reducing the growth of non-developmental expenditure and for taking suitable economy measures. However, it is for the State Governments to contain their increase in non-developmental expenditure by taking various economy measures. The steps reported to have been taken by some of the State Governments for reducing their growth in non-developmental expenditure include restriction on purchase of vehicles, control on consumption of petrol and electricity, ban on creation of new posts, restriction of expenditure on telephones, etc.

In June, 1991, the RBI have also announced a Foreign Currency (Ordinary—Non-repatriable) Deposit Scheme, 91, which carries an interest rate of 1% above the FCNR US Dollar Deposit Scheme for three years, which is currently 9% per annum.

[Translation]

PERFORMANCE OF REGIONAL RURAL BANKS

NON-DEVELOPMENT EXPENDITURE OF STATE GOVERNMENTS

*274. SHRI TEJ NARAYAN SINGH
SHRI VISHVANATH SHASTRI

*272. SHRI ANBARASU ERA : Will the Minister of FINANCE be pleased to state :

Will the Minister of FINANCE be pleased to state :

(a) whether the non-development expenditure of State Governments has increased considerably during the last year;

(a) the performance of Regional Rural Banks in the fields of advancing of loans, opening of branches and providing employment to local people during the last three years; State-wise; and

(b) if so, the extent of such increase; and

(b) the criteria adopted for the constitution of the Board of Directors in these banks. State-wise ?

(c) the steps proposed to be taken by the Union Government in the matter ?

—THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) The total amount outstanding, loans issued, number of branches in existence and the staff employed by Regional Rural Banks (RRBs) during the last three years, State-wise, as reported by National Bank for Agriculture and Rural Development is given in the enclosed statement. The figures indicate that RRBs have helped the rural population in inculcating banking habits and also assisted them with loans to pursue their productive activities. Besides providing direc

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI SHANTARAM POTDUKHE) : (a) Yes, Sir.

(b) The non-developmental expenditure of all States increased from Rs. 19,806.1 crores (Revised Estimate) in 1989-90 to Rs. 24,285.3 crores Budget Estimate) in