

(c) and (d). World Bank, in its Country Economic Memorandum on India published in August 1996, while appreciating the Economic Reforms undertaken during the last five years, have suggested to speed up the economic reforms to meet the challenges ahead. Government's approach to economic reforms is contained in the Common Minimum Programme of the United Front. The Common Minimum Programme identifies the key challenges ahead i.e. reducing the country's chronically high fiscal deficits, further liberalizing the economy, agriculture in particular, meeting the infrastructure challenge and ensuring social justice. Some of the measures undertaken by the Government during the past year, have been mentioned in the Economic Survey and Central Government Budget 1996-97.

Pay structure in R.R.Bs

54. SHRI BASU DEB ACHARIA :
SHRI T. GOVINDAN :

Will the Minister of FINANCE be pleased to state :

(a) the main points of the Award of the National Industrial Tribunal relating to pay structure of Regional Rural Banks;

(b) whether it has since been accepted by the Government and implemented;

(c) if so, the details thereof and the quantum of additional financial expenditure likely to be incurred as a result thereof; and

(d) if not, the reasons for not implementing an award which was a time-bound and subjected to viability of the Regional Rural Banks?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (d). The pay and allowances of the employees of the Regional Rural Banks (RRBs) are to be determined by Government under Section 17(1) of the Regional Rural Banks Act, 1976. In pursuance of an order of the Hon'ble Supreme Court, the Government appointed a National Industrial Tribunal (NIT) in 1987. The Tribunal was required to decide the dispute relating to pay, salary, other allowances and other benefits payable to the employees of the RRBs in terms of the pleadings of the parties in Writ Petition (Civil) Nos. 7149-50 of 1982 and No. 132 of 1984 filed in the Supreme Court of India.

Pursuant to the award of the Tribunal, Government have issued an order on 22.2.1991 determining the salary and allowances of the employees of the RRBs and made them effective from 1.9.1987.

After the implementation of the Sixth Bipartite settlement for the Commercial Banks, the employees of RRBs had taken a stand that the settlement should be extended to them also. The matter was taken to the Supreme Court by some employees. Government had

taken a stand that the award of National Industrial Tribunal could not be an authority for continued parity between the employees of RRBs and those of sponsor banks. The Supreme Court has not granted the relief prayed for instead observed that the employees may seek relief available to them under the Industrial Disputes Act.

In order to have a package that will reconcile the interests of the employees, the clients and the banks, the Reserve Bank of India has now appointed a Committee to make recommendations to Government on the exercise of its powers under Section 17(1) of the Act.

Inflation Rate

55. SHRI K.H. MUNIYAPPA :
DR. KRUPASINDHU BHOI :

Will the Minister of FINANCE be pleased to state :

(a) whether the prices of all the consumer commodities and the rate of inflation have been steadily increasing during the recent months;

(b) if so, the weekly rate of consumer price indices and the rate of inflation during the last four months; and

(c) the steps taken/proposed to be taken by the Government to check the price rise and to contain the inflation rate?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) The Consumer Price Index for Industrial workers (CPI-IW) commonly used to measure the movement in prices of consumer commodities registered a rise of 7.8 per cent between April and September, 1996. The annual inflation rate (September 1996 over September 1995) was 8.5 per cent compared to 10.1 per cent last year.

(b) The Consumer Price Index is compiled only on monthly basis. The movement in the index for the last four months together with the annual inflation rate is listed below :

1996	Monthly Change in Index (%)	Cumulative increase (%) over March	Annual Inflation (%)
April	1.6	1.6	9.8
May	1.2	2.8	9.3
June	1.5	4.4	8.8
July	1.8	6.3	8.3
August	1.2	7.5	8.9
September	0.3	7.8	8.5

(c) The important steps taken by the Government to check the price rise and to contain inflation are :

(1) Continuation of open market sale by FCI of rice and wheat.

- (2) Continu OGL import policy for selected essential commodities such as sugar, edible oils, pulses and low fat milk powder at nil or reduced duty.
- (3) Import of edible oils on Government account for supply through PDS.
- (4) Strive to contain fiscal deficit in the Budget for 1996-97 to 5 per cent of GDP.
- (5) Containing monetary growth to 15.5 - 16.0 per cent in 1996-97 through prudent monetary policies.
- (6) Maintaining a liberal import policy, combined with reduction in import duties for most commodities.

Establishment of CSF

*56. SHRI RAM NAIK : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India recommended the establishment of a Consolidated Sinking Fund (CSF) to separate fresh Government Borrowings from repayments;

(b) if so, the reasons therefor; and

(c) the action taken/proposed to be taken thereon.

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (c). As a follow up on a recommendation made by the Tenth Finance Commission, the Government has been examining the matter regarding feasibility of setting up of Sinking Funds for redemption of Public Debt in consultation with the RBI. No. final decision has been taken in this regard.

Indo Russian Trade Relation

*57. SHRI PANKAJ CHOUDHARY :
SHRI MAHESH KUMAR M. KANODIA :

Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have taken any step to promote Indo-Russian Trade relation;

(b) if so, the details thereof alongwith the agreement signed, if any, by both the Governments in the matter;

(c) the areas in which trade were under operation in the past; and

(d) the new areas identified now for expansion of trade between both the countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). Both the Governments are interacting on regular basis towards enhancing bilateral trade and economic cooperation. Following the signing of the Trade and Economic Cooperation Agreement in 1992 and creation

of the bilateral Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation, a series of Agreements between the two countries have been signed and a number of institutional mechanisms have been set up to promote trade and economic cooperation. The Agreements signed include Arrangement between Bank for Foreign Economic Affairs (BFEA) and the Reserve Bank of India (RBI) governing exports under the debt repayment route. Besides, the two sides have entered into the understanding on Long Term Purchases of certain commodities by the Russian Agencies from the debt repayment fund and bilateral Investment Protection. In order to further encourage Indo-Russian Trade, Government is trying to set up Indian Warehouses for promoting consignment exports under the debt repayment route and ensuring greater presence of Indian banks in Russia. Similarly, Russian side is also being impressed upon to extend adequate rupee allocation to the reliable Russian importers so that Indian goods can be absorbed in greater measure in Russian markets. For encouraging quality pharmaceutical exports from India to Russia, an Indo-Russian Working Group on Pharmaceuticals has been set up

(c) and (d). Before break up of the erstwhile USSR imports and exports with former USSR were conducted under a balanced annual Rupee Trade Plan. After the break up, Indo-Russian trade is moving largely through the debt repayment track as well as in a small measure under hard currency.

India and Russia share traditional partnership in trade exchanges and economic cooperation covering a number of areas. The volume of trade which had declined during 1992 and 1993 following the break up of USSR, has reached a volume of over USD 2 billion in 1995. With diversification of economic cooperation, the volume of bilateral trade is likely to grow further. The major items of our export basket include tea, coffee, soyameal, pharmaceuticals, textiles, chemicals, chashewnuts, fruit juices etc. and import basket from Russia mainly include fertilisers, newsprint, ferrous and non-ferrous metals.

Irregularities in grant of Bank Loans

*58. SHRI VIJAY PATEL :
SHRI ANNASAHIB M.K. PATIL :

Will the Minister of FINANCE be pleased to state :

(a) the details of cases of irregularities in giving bank loans under Prime Minister's Rozgar Yojana (PMRY) came to the notice of the Government during 1995 and 1996 so far;

(b) the action taken or proposed to be taken against the guilty; and

(c) the measure proposed to be taken to check recurrence of such cases?