

AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) The Advisory Board on Bank Frauds (ABBF) was constituted by Reserve Bank of India (RBI) in February, 1997 to advise RBI on the references referred by CBI either directly or through Ministry of Finance for investigation/registration of cases against bank officers of the rank of General Manager and above in nationalised banks. The executives of financial institutions were not brought by RBI under the purview of ABBF and no references regarding officers of financial institutions had been referred to RBI.

(c) to (f) : The information is being collected and will be laid on the Table of the House.

[Translation]

#### Production/Export of Opium

1468. DR. LAXMINARAYAN PANDEY : Will the Minister of FINANCE be pleased to state:

(a) whether according to a contract about 600 tonnes of opium has to be exported;

(b) whether total production of opium in the current year is quite low in comparison to the last year; and

(c) if so, the details thereof and the reasons therefor ?

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. Contracts for export of opium have not been signed yet.

(b) Yes, Sir.

(c) The total production of opium at 70°C during the current crop year in the three opium growing states is as under :-

Year	Madhya Pradesh	Rajasthan	Uttar Pradesh	Total (in Metric Tonnes)
1997-98 (Prov.)	128.042	188.914	48.048	365.004

The low production of opium during crop year 1997-98 is due to cultivation of about 33% of the total area licensed and damage to opium crop due to inclement weather, unseasonal rains, hail-storms and plant diseases.

[English]

#### Setting up of New Textile Mills

1469. SHRI MADHAV RAO PATIL : Will the Minister of TEXTILES be pleased to state:

(a) whether the Union Government propose to set up new textile mills in the Country during the Ninth Plan;

(b) if so, the details thereof, State-wise, particularly in Maharashtra; and

(c) the details of funds provided by the Union Government to the State-Governments for the revival of sick textile mills during the current year and the Ninth Plan Period, State-wise?

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

(b) Does not arise.

(c) The Government do not provide funds to State Governments for revival of sick textile units.

#### Fiscal Deficit

1470. SHRI NARENDRA BUDANIA :

SHRI SURESH CHANDEL :

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are receiving any financial assistance from the RBI to make up the annual fiscal deficit;

(b) if so, the details thereof;

(c) whether the Government are pondering over any proposal to prescribe the limit of such assistance so as to ensure better control on the currency supply by the Reserve Bank of India; and

(d) if so, the details thereof alongwith the details of benefits likely to be accrued as a result thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The gross fiscal deficit of the Central Government is financed through market borrowings, other liabilities like small savings, Provident funds and special deposits, external assistance and till 1996-97 through ad hoc Treasury Bills. With effect from April 1, 1997, the practice of issuing ad hoc Treasury Bills has been replaced by a system of Ways and Means Advances (WMA) provided by RBI to enable the Central Government to meet temporary mismatches between receipt and expenditure. RBI also gives support to the market borrowing programme of

the Central Government which is reflected in the net RBI credit to the Central Government or monetised deficit. The Revised Estimates for 1997-98 have placed gross fiscal deficit of the Central Government at Rs. 86,345 crore. As per RBI records, monetised deficit, which is the net RBI credit to the Centre at end-March, 1998, amounted to Rs. 12914 crore.

(c) and (d) The limit for WMA provided by the RBI to the Central Government is based on mutual agreement between the Government of India and RBI. For the current fiscal year (1998-99), the WMA limit for the first half and second half has been set at Rs. 11,000 crore and Rs. 7,000 crore respectively. The new system of WMA seeks to meet temporary mismatches in the receipt and expenditure of the Central Government without contributing to monetisation of deficit. It provides considerable transparency in Government's fiscal operation. Besides, the system of WMA to the Central Government contributes to better fiscal-monetary policy co-ordination.

#### Credit Deposit Ratio

1471. SHRI MULLAPALLY RAMACHANDRAN :

SHRI MOINUL HASSAN :

Will the Minister of FINANCE be pleased to state:

(a) the rates of credit-deposit ratio in public sector banks, during 1996-97 and 1997-98 State-wise;

(b) whether there has been a decline in the rates of credit-deposit ratio (percentage) in any of the States;

(c) if so, the details thereof and the reasons therefor; and

(d) the steps taken by the Government to increase the rates of credit-deposit ratio?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (c) States/Union Territories-wise deposits, credit and credit deposit ratio (CDR) of scheduled commercial banks as on the last Friday of March 1996 and March 1997 is given in the enclosed Statement. During the period March 1996 to March 1997, the CDR has declined in 25 out of 32 States/Union Territories and from 61.9 per cent to 57.3 per cent for the country as a whole. Except for Chandigarh, outstanding credit of scheduled commercial banks during the period has increased in all States/Union Territories. The decline in CDR of scheduled commercial banks in States/Union Territories during the period is attributed to larger increase in deposit base of these banks, as compared to the increase in credit during the same period.

(d) The State Level Bankers' Committee which comprises representatives of banks operating in a particular State/Union Territory and representatives of Government departments review in regular meetings all aspects of bank credit including the CDR in the States/Union Territories.

#### Statement

*State/Union Territory-wise deposits, Bank Credit and Credit deposit ratio of scheduled Commercial Banks as on the last Friday of March 1996 and March 1997*

Sl. No.	State/Union Territory	March 1996			March 1997		
		Deposits (Rs. in crore)	Credit	Credit Deposit Ratio (%)	Deposits (Rs. in crore)	Credit	Credit Deposit Ratio (%)
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	21605	17461	80.8	25850	20061	77.6
2.	Arunachal Pradesh	360	37	10.4	394	42	10.7
3.	Assam	4393	1726	39.3	5084	1789	35.2
4.	Bihar	17922	5732	32.0	21222	6467	30.5
5.	Goa	3127	842	26.9	3834	957	25.0