

Interest on Loans

8298 SHRI M BAGA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether there is a general principal in regard to loaning and repayment that 'in no case the amount of interest should exceed the principal', and

(b) if so, whether Government have issued directions to all the State Governments and all the nationalised banks to implement it?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI) (a) to (b) Commercial banks have been instructed by Reserve Bank of India that interest on current dues on agricultural advances should not be compounded. When crop loans or instalments under term loans granted for agricultural purposes become overdue banks can add interest outstanding to the principal and compound the interest. However, total interest debited to an account should not exceed the principal amount in respect of short term advances granted to small and marginal farmers

<i>Year</i>	<i>Quantity (in '000 tonnes)</i>	<i>Value (in ₹s. crores)</i>
<i>1</i>	<i>2</i>	<i>3</i>
1989-90	166.6	115.15

(b) The production target of saleable steel by SAIL for the year 1990-91 is 7776,000 tonnes

(c) and (d) However, the Government feels that export of value added products should be encouraged in future instead of merely exporting iron ore

Steel Export by SAIL

8299. SHRI GANGA CHARAN LODHI:
SHRI Y.S. RAJA SEKHAR REDDY:

Will the Minister of STEEL AND MINES be pleased to state:

(a) the total quantity of steel exported by the Steel Authority of India Limited during 1989-90 and the foreign exchange earned therefrom,

(b) the production target of steel by SAIL for the year 1990-91,

(c) whether Government are evolving a new policy in order to export steel instead of iron ore, and

(d) if so, the details thereof?

THE MINISTER OF STEEL AND MINES AND MINISTER OF LAW AND JUSTICE (SHRI DINESH GOSWAMI). (a) The total quantity of steel exported by the Steel Authority of India Limited during 1989-90 and the foreign exchange earned therefrom is as follows

Short Term Credit to Punjab

8300. SHRI KAMAL CHAUDHRY: Will the Minister of FINANCE be pleased to state:

(a) the amount of annual grant and the amount of short term credit sanctioned to Punjab for the year 1990-91;