

[*Translation*]

Payments made to Banks in respect of Agricultural Loans written off

1574. SHRI DILEEP SINGH BHURIA: Will the Minister of FINANCE be pleased to state:

(a) whether the amount of waived agricultural loans has been provided to the various nationalised banks and regional rural banks; if so, the details of the amount provided to each of the banks;

(b) whether most of the rural banks are running in losses and are not able to maintain the Statutory Liquidity Ratio and have generally stopped giving loans;

(c) whether Government propose to provide the amount of waiving loans to these banks to salvage them from this situation and to provide crop loans to the farmers and people belonging to weaker sections immediately;

(d) if not, the steps proposed to be taken to improve the financial condition of these banks; and

(e) whether Government propose to continue the debt relief scheme in future?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) The financial burden on account of debt relief provided by public sector banks and regional rural banks under the Agricultural and Rural Debt Relief (ARDR) Scheme, 1990 will be borne by the Government of India. The scheme is under implementation and the amount of debt relief to be provided by individual banks and the compensation given by Government of India to them will be known only at the final stage of the implementation of the Scheme.

(b) to (d) 150 out of 196 regional rural banks (RRBs) incurred losses during the year ending 31st March,

1989. The total loans issued by RRBs during the period of 12 months upto September, 1989 amounted to Rs. 1064 crores. In order to improve the liquidity of RRBs, National Bank for Agriculture and Rural Development (NABARD) advised that advance payments would be made to them towards debt relief. As and when applications are received from them, a portion of the estimated amount eligible for relief would be given as advance and the balance amount would be made available to them on receipt of claim statements after providing the relief to the borrowers. As on 9th August, 1990, NABARD has sanctioned Rs. 102.19 crores to 99 RRBs as advance. In the case of beneficiaries under debt relief scheme, fresh credit will be given to them after providing relief under the scheme and the beneficiaries repaying the balance dues, if any.

(e) No, Sir.

New Bank of India Files

1575. SHRI MADAN LAL KHURANA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received reports to the effect that some important files of the New Bank of India have been stolen in Delhi;

(b) if so, the facts of the case;

(c) the names of the firms/persons to whom these files were connected;

(d) the name of the police station where F.I.R. in regard to the said theft has been lodged; and

(e) the action being taken by Government in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) Yes, Sir. New Bank of India has reported that 4 files were stolen from its office. In this connection FIR No. 138 dated 2-6-90 has been registered under Section 380, IPC at Police Station Prasad Nagar, New Delhi.

(c) The files related to M/s. KYJCC (P) Ltd. and M/s. Sunaina Sis Enterprises.

(d) and (e) FIR has been lodged with Police Station. The Watchman has been suspended by the Bank with effect from 5-6-90. Subsequently, when the office was opened on 26-6-90, these files were found to have been thrown inside the office room through a window. This matter was also reported to the police, by the bank.

[English]

Notes in Circulation

1576. SHRI MADAN LAL KHURANA: Will the Minister of FINANCE be pleased to state:

(a) whether there has been a sharp decline, in the circulation of notes during the week ending 29 June, 1990 and how does the same compare with the notes in the circulation during the last three months; and

(b) if so, the details thereof together with reasons for decline in the circulation of notes and its effect on the economy, inflation etc?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) No, Sir. The notes in circulation recorded a decline of only 1.31 per cent in the week ending June 29, 1990. However, as the statement given below shows, they were higher than notes in circulation in the weeks ending April 6 and May 4, 1990. Further, notes in circulation started rising again from the week ending July 6, 1990. They are only one of the components of money supply (M3) which recorded a rise of 3.7 per cent in the fortnight ending June 29, 1990 over its level on March 23, 1990.

STATEMENT

Week ending	Notes in circulation (Rs. crores)	Variation (Per cent)
1	2	3
April, 6, 1990	47,529	..
May 4, 1990	49,939	5.07

1	2	3
June 1, 1990	50,659	1.44
June 22, 1990	50,745	0.17
June 29, 1990	50,082	(—) 1.31
July 6, 1990	50,519	0.87
July 13, 1990	50,595	0.15

Deposits in Nationalised Banks

1577. SHRI MADAN LAL KHURANA:
SHRI CHHITUBHAI DEVJIBHAI:
SHRI GAMIT:

Will the Minister of FINANCE be pleased to state:

(a) whether deposits in the nationalised banks have fallen sharply;

(b) if so, the reasons therefor together with details of steps taken to improve the situation and to make more funds available for investment in the planning process/developmental activities;

(c) the details of the areas from where nationalised banks are getting maximum deposits;

(d) whether there is any proposal to enhance the bank interest rates; and

(e) if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) No, Sir.

(b) Does not arise.

(c) The areas and sectors of activities from where the banks obtain deposits varies from time to time depending on the overall growth of the economy.

(d) and (e) The currently applicable interest rates on bank deposits are considered appropriate at present. The structure of deposit rates remain under continuous review of the Reserve Bank of India.