

administrative side, we have also to take economic measures to tackle smuggling and that is what we intend to do.

WRITTEN ANSWERS TO QUESTIONS

[English]

Release of Cotton Export Quota

*90. SHRI V. SOBHANADREESWARA RAO : Will the Minister of TEXTILES be pleased to state :

(a) whether Government propose to release immediately the cotton export quota for the current season to ensure better deal to cotton growers; and

(b) the quantity proposed to be allocated to Markfed of Andhra Pradesh ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) and (b). The Government have already released some quantities for export during the current cotton season. Further export quota will be released if and when considered necessary. Allocation of export quotas to State Federations including Andhra Pradesh can be considered keeping in view their capability and past performance.

Relaxation to Credit Policy

*91. SHRI JAI PRAKASH AGARWAL : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has recently relaxed its credit policy to allow larger funds to meet credit requirements;

(b) if so, the norms evolved for extending credit; and

(c) whether any ceiling has been fixed on bank credit for various items to different parties ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) to (c). The Reserve Bank of India

reviewed the credit policy prior to the onset of the busy season. Taking into account the liquidity position of banks and the genuine seasonal credit needs, certain changes were made in the credit policy announced on October 25, 1985. These included :

- (i) Release of one-third of impounded cash balances maintained under the Additional Cash Reserve of 10 per cent of the incremental demand and time liabilities of banks accruing between January 1977 and October 1980.
- (ii) Reduction of Statutory Liquidity Ratio (SLR) for non-resident (external) rupee accounts from 37 per cent to 25 per cent.
- (iii) Bringing forward of the base for 100 per cent export refinance from the monthly average level of 1983 to 1984.
- (iv) Repayment by banks of discretionary refinance outstanding on October 25, 1985 and corrections for shortfalls in the maintenance of SLR.

These measures taken together are expected to provide some improvement in banks' liquidity.

No new norms or ceilings on banks' credit for various items to different parties were prescribed in the recent credit policy statement of October 25, 1985.

Export of Jute

*92. SHRI PRIYA RANJAN DAS MUNSI : Will the Minister of TEXTILES be pleased to state :

(a) whether the recent bulk contracts of State Trading Corporation for export of jute to some countries have been cancelled;

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

(c) the steps taken/proposed to increase export of jute; and

(d) the prospects for the current year ?