

(c) if so, the measures thought of by Government to meet the criticism of the World Bank Report ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) The World Development Report, 1985 focuses on the role of international capital in economic development and in this context it has dealt with various factors which have contributed to the recent debt problems faced by many developing countries. The report has however singled out India for appreciation under heading : "Careful Borrowing and Risk avoidance ; the case of India". In treating re-schedulings which had occurred prior to recent debt problems, a reference is made to India, but the report makes it clear that the then re-scheduling for India was designed by donors to enhance their aid volume. The report also points out that though growth in recent years has slowed, most developing countries had made substantial economic progress over the past twenty years. Thus there is no implicit or explicit criticism of India's economic performance in the report.

(c) Does not arise.

#### Banking credit facilities to rural population

\*359. SHRI RAM SINGH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether Union Government have accepted the norms of providing banking credit facilities to the rural population by providing at least one banking institution for the population of 15,000 (fifteen thousand) to 17,000 (seventeen thousand);

(b) whether the Reserve Bank of India had refused to issue licences for opening new branches of commercial banks in the country; and

(c) the date by which Government would be able to provide banking facilities to the rural population in accordance with the norms accepted by Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c) In the Branch Licensing Policy for the period April 1982 to March 1985 the main objective was to achieve a coverage by one bank office for a population of 17,000 in the rural and semi-urban areas. The Reserve Bank of India has been sanctioning licences for branch expansion and banks have opened 8984 new branches in the rural and semi-urban areas of the country during the period April 1982 to February 1985. The average population per bank office in respect of rural and semi-urban areas of the country as a whole has come down from 21,000 as on 31st March 1982 to 16,000 as at the end of February 1985.

[Translation]

#### Loans from Foreign countries and international financial institutions

\*360. SHRI NARESH CHANDRA CHATURVEDI : Will the Minister of FINANCE be pleased to state :

(a) the amount proposed to be taken as loan by Union Government from other countries for the Seventh Five Year Plan indicating the amount of loan being received from international financial institutions and the World Bank and the terms and conditions thereof; and

(b) the amount taken as loan from other countries of the World, international financial institutions and World Bank for previous Five Year Plans indicating the amount of loan with interest outstanding against India at present ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) External resources are mobilised to bridge the gap between total investment outlays and internal resources available during the Plan period. The Seventh Plan has not yet been finalised. Moreover the actual amounts of loans to be taken from international financial institutions, World Bank and the foreign countries would depend on

our year-to-year requirements. Its quantum, terms and conditions etc, would be known only after multilateral/bilateral negotiations are completed.

(b) The amount of loans taken on Government account from other countries of the World, International Financial Institutions and the World Bank for previous Five Year Plans (upto Sixth Plan period) is Rs. 23,915.65 crores. The amount of such loans outstanding at the end of 31.3.1985 is Rs. 24,004.39 crores.

It is to be noted in this connection that the outstanding liability of loans is worked out by converting the various foreign currencies into rupees at the rate of exchange applicable at the time of each drawal and repayment. This explains the larger figures (in terms of rupees) of outstanding loans at the end of 31.3.1985 than the total amounts of loans that had been taken for the various Five Year Plans as indicated above.

Interest is payable on debt outstanding from time to time and is paid on due dates according to the provisions contained in the loan agreements. No payment towards interest is outstanding as on 31.3.1985.

[English]

#### Restriction on export of frog legs

\*361. SHRIMATI KISHORI SINHA : Will the Minister of COMMERCE be pleased to state :

(a) whether his attention has been drawn to a report in the 'Times of India' dated 18 July, 1985 that an invention of Indian Scientists in Mangalore for painless disposal of frogs is of great importance keeping in view the export potential thereof ;

(b) if so, Government's reaction thereto; and

(c) whether frog legs export would be restricted and the extraction of the frog legs confined to licensed units with modern equipment for painless disposal of frogs ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. A. SANGMA) : (a) Yes, Sir.

(b) and (c) Government have taken a number of steps for restriction of export of froglegs, which include (i) allowing such exports only by units having facilities for humane killing of frogs and hygienic processing of froglegs; (ii) putting a ceiling on these exports and (iii) regulating the catching of frogs for processing.

[Translation]

#### Losses in cotton corporation of India

\*362. PROF. CHANDRA BHANU DEVI: Will the Minister of SUPPLY AND TEXTILES be pleased to state :

(a) whether the Cotton Corporation of India has been running in loss for the last few years;

(b) if so, the main reason therefor; and

(c) the administrative and financial measures proposed to be taken by Government in this direction ?

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA SHEKHAR SINGH) : (a) Yes, Sir.

(b) The main reasons for losses incurred by CCI are carrying charges on large stocks for substantial periods of time high interest rates on working capital, and payment of interest on accumulated losses. During 83-84 and 84-85 the CCI earned profits on current operations which was not enough to offset the burden of interest on earlier losses.

(c) (i) The functioning of the Corporation was reviewed by Government, and it was directed to carry out purchase operations with commercial viability.

(ii) The Corporation has adopted a policy of Sales simultaneous to purchase, thereby reducing the cost of carrying stocks.