

(b) whether the complaints have been considered by Government; and

(c) if so, the steps taken in the matter?

The Minister of State in the Ministry of Finance (Shri K. C. Pant): (a) Yes, Sir.

(b) On investigation of the complaints received both by Government and Reserve Bank of India about refusal by banks to accept small denomination notes or restrictions imposed by them for acceptance of such notes, it was found that there had seldom been any instance of refusal as such. Due to limitations of vault space and staff certain restrictions for acceptance of lower denomination notes were, however, imposed by some banks, especially during busy hours in order to facilitate quick disposal of tenders from many of their constituents. It was also observed that in most cases the banks had sought the cooperation of their clients in limiting the tenders of small denomination notes.

(c) The Reserve Bank have been urging the scheduled banks to arrange for removal of such restrictions as far as possible. They have themselves been instructing their agencies to take steps to remove the difficulties experienced by banks, where the restrictions imposed by banks are found to result from similar restrictions imposed by the agencies.

Functioning of Reserve Bank and State Bank on Independent Basis

***521. Shri M. Sudarsanam:** Will the Minister of Finance be pleased to state:

(a) whether any proposal has been made to constitute the Reserve Bank and the State Bank on an independent basis with a view to enabling them to deal with the States on creditor client basis, free from Government interference; and

(b) if so, the reaction of Government thereto?

The Minister of State in the Ministry of Finance (Shri K. C. Pant): (a) and (b). No, Sir. The Reserve Bank and the State Bank are already independent autonomous bodies established under specific enactments and the question of reconstituting them for the purpose in view does not arise.

Production and Refining of Crude Oil

***522. Shri Kashi Nath Pandey:** Will the Minister of Petroleum and Chemicals be pleased to state:

(a) whether it is a fact that the target fixed for the production and refining of crude oil has not been fully achieved so far; and

(b) if so, the reasons therefor and when the target of production of five million tonnes oil per annum is to be achieved?

The Minister of Planning, Petroleum and Chemicals and Social Welfare (Shri Asoka Mehta): (a) Yes, with reference to the target fixed for the last year of the Third Five Year Plan.

(b) The shortfall, in the case of crude oil production, was largely due to the delay in the completion of the Barauni and Koyali refineries and their requirements of crude oil for processing. The refining target was not reached because of the aforesaid delay and also the delay in the start-up of the Cochin Refinery.

The production of indigenous crude oil at present is well in excess of the rate of 5 million tonnes per annum.

Kosi Project

***523. Shri Deven Sen:**
Shri Madhu Limaye:
Shri Bhogendra Jha:
Shri Kedar Paswan:

Will the Minister of Irrigation and Power be pleased to state:

(a) the present position in the matter of the execution of the Kosi Project;

(b) how much land has been brought under irrigation under the Project;

(c) the total outlay so far;

(d) the reasons for the delay in the execution of the scheme; and

(e) when the project will be completed?

The Minister of Irrigation and Power (Dr. K. L. Rao): (a) The Kosi Project has been sanctioned for execution in two stages. Stage I of the Project comprises of Barrage, the flood embankments and the Eastern Kosi Canal System. Barrage has been completed. Work on Flood embankment is also complete except for three sluices on the eastern side. 96% of the earthwork in Eastern Kosi Canal has been done so far.

Stage II works of the Kosi Project comprise construction of the Power House, Rajpur Branch Canal System and the Western Kosi Canal. Works on the Kosi Power House are in an advanced stage. Unit No. 4 is expected to be completed by December 1967. Major parts in respect of Unit No. 3 have also been received at site. The insulation material for the erection of this Unit as also of Units Nos. 1 and 2 has to be imported from the Japanese Firm for which necessary foreign exchange has been sanctioned. The work of the Rajpur Branch Canal is in full progress. Out of a total earthwork of 51.05 crores cft. involved, 44.48 crores cft. has been done on this Canal. On receipt of permission from His Majesty's Government of Nepal, early in January 1967, surveys and investigations in Nepal territory for the Western Kosi Canal have been taken up. Reconnaissance of this Canal having a length of 101.70 R.D. in Nepal territory beyond river portion has been done.

(b) During 1966-67 two lakh acres were irrigated in Kharif season two lakh acres during the Rabi season and 40,000 acres in the hot weather, from the Eastern Kosi Canal.

(c) An expenditure of about Rs. 73 crores has been incurred on this Project including extensions and stage II.

(d) There has been no particular delay in the execution of the Project except in commissioning the Eastern Kosi Canal System fully. The Eastern Kosi Canal System could not be put to full use because the Power House has to be constructed in the Main Canal. The work of the Power House was delayed mainly because of seizure of equipment by Pakistan during the hostilities in 1965.

(e) Stage I of the Project is almost complete. The work on the extensions, added from time to time, is in progress. The entire Project is expected to be completed by the end of the Fourth Plan except the Western Kosi Canal which will be completed in the Fifth Plan.

Ways and Means Position of Madhya Pradesh

*524. **Shri Nitiraj Singh Chaudhary:**

**Shri Manibhai J. Patel:
Shri Ram Singh Ayarwal:
Shri Lakhan Lal Gupta:**

Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the Madhya Pradesh Government are required to keep in deposit between Rs. 1 crore to Rs. 1.50 crores at any given time in non-banking treasuries;

(b) whether it is also a fact that the State invested Rs. 2.60 crores last year on the purchase of imported foodgrains and its claim for reimbursement from Rs. 3 crores to Rs. 8 crores at any given time remained pending with the Central Government; and

(c) if so, the steps Government propose to take to revise the way and means advance limit prescribed for Madhya Pradesh by the Reserve Bank?