

accounts then what is the increase and if in the general accounts then how much and also in which nationalised banks have such deposits been the maximum ?

SHRI BRAHMA DUTT : The figures which I have presented are from all the three types of accounts. There are three types of accounts. One is that in which the Indians living abroad deposit their money in rupees for their personal expenditure. The second account is that in which foreign currency is deposited and is maintained in that currency. I have given a total of both these accounts. So far as the state-wise records of non-residents are concerned, no such records are kept which may show the state-wise number of persons depositing the amount but the total number is about 4 lakhs. These figures are not state-wise.

DR. CHANDRA SHEKHAR TRIPATHI : Are the foreign currency accounts of the non-resident Indians decreasing because the Government of India is continuously reducing the rate of interest and if so, then what steps are being taken by the Finance Ministry for improving the situation so that the deposits in their foreign currency accounts may increase ?

SHRI BRAHMA DUTT : Sir, the situation is completely different. It is constantly increasing. In our dollars account is 1983, I would not count the decimals, the money was equivalent to Rs. 374 crores. In 1984, it increased to Rs. 540 crores, in 1985 to Rs. 1393 crores and in 1986 it has increased to Rs. 2833 crores. This has happened because we have given more encouragement, more interest and more benefits. Tax concessions have also been given. Therefore, the deposits have increased. As compared to 1983, the foreign currency deposited with us is 9 times more at present.

[English]

SHRI SHANTARAM NAIK : Sir, there are lakhs of people working in Gulf countries who have gone there from my State of Goa as also from Kerala. These workers are depositing crores of rupees in various banks. I would like to know from the Government whether the Ministry of Finance will chalk out a scheme of coordination with the Ministry of Industry for

utilisation of these deposits for the benefit of those people when they come back to India ?

[Translation]

SHRI BRAHMA DUTT : Sir, the money which comes here from abroad is deposited in our foreign currency account because we need that currency for foreign trading. So, we cannot ask for this exchange separately but the non-residents are given encouragement in different ways for investing in certain special industries.

[English]

Rate of Growth in Banking Industry

*25. **SHRI KAMLA PRASAD SINGH :** Will the Minister of FINANCE be pleased to state :

(a) whether during 1985-86 the banking industry recorded a lower rate of growth in deposits and advances;

(b) if so, the reasons therefor; and

(c) the steps taken to attract more deposits ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) (a) to (c). A Statement is given below.

Statement

The average deposits of scheduled commercial banks recorded a growth of 18.9 per cent during 1985-86 as compared to 17.8 per cent during 1984-85. However, the deposit growth on a point to point basis was 18.1 per cent during 1985-86 as against 19.2 per cent during the preceding year.

The growth rate of advances during 1985-86 was 14.2 per cent as against 18.5 per cent during the preceding year mainly on account of lower requirements of food credit. The non-food credit registered a higher growth rate during 1985-86 which was 16.4 per cent as compared to 16.1 per cent during 1984-85.

The banks have been continuously making efforts to mobilise deposits which

include educating the potential depositors about various facilities available from banks, inducing the existing depositors to re-invest, formulation of deposit mobilisation schemes and opening of new branches in hitherto unbanked areas. The progress in deposit growth is regularly monitored by Reserve Bank of India and respective Board of Directors of Banks.

[Translation]

SHRI KAMALA PRASAD SINGH : Mr. Speaker, Sir, reason for the reduced growth rate of the advances is that the officials and employees of the banks often make the beneficiaries run from pillar to post and do not provide the advances easily. What steps are being taken for the simplification of the procedure and early disposal of the applications ?

[English]

SHRI JANARDHANA POOJARY : Sir, the banks have done well in mobilisation of deposits. So far as the disposal of the credit applications submitted to the banks is concerned, so far as the IRDP applications are concerned, they have to be disposed of within 14 days. So far as the priority sector applications are concerned, those applications have to be disposed of within 4 weeks and so far as the applications from large industrial concerns and medium units are concerned, the applications have to be disposed of within three months.

[Translation]

SHRI KAMALA PRASAD SINGH : Mr. Speaker, Sir, according to the report of the Reserve Bank, the profits of the private banks and foreign banks are increasing whereas the profits of our nationalised banks are decreasing. What steps are being taken in this regard ?

[English]

SHRI JANARDHANA POOJARY : Sir, the profit of the public sector banks in the year 1985 was Rs. 117 crores. Now, according to the latest information we have got from the public sector banks the profit for the year 1986 is Rs. 150 crores, i.e., it

has been increased from Rs. 117 crores and it has come to Rs. 150 crores.

SHRI E. AYYAPU REDDY : Mr. Speaker, Sir, the Indira Vikas Patras have become a great attraction. But at the same time they are having an adverse effect on the normal banking deposits. Has any study been made about the adverse effect of the Indira Vikas Patras and the banking deposits within the current year ? It is because the rate of interest on Indira Vikas Patras is very very attractive and far more attractive than the normal bank deposits. On account of that there has been a great demand for Indira Vikas Patras and consequently the bank deposits are going down. Will the Minister study the effect of these two things on the bank deposits ?

SHRI JANARDHANA POOJARY : Sir, according to the latest figure available so far as the deposit mobilisation in the public sector banks is concerned, the growth rate is 20.3 per cent up to January. So, there is no decline and it is true that Indira Vikas Patra has become very popular particularly in the rural areas, I am told. That is the information we have got, that is the feed-back to the effect that the rural areas' deposit savings are mobilised particularly through the Indira Vikas Patras.

SHRI NAWAL KISHORE SHARMA : The Minister has stated that the profitability of the public sector banks has gone up. I agree that the profitability has gone up. But may I know from the Minister whether it is a fact that the service charges of the nationalised banks have gone up many times more than what they were during the last two years, and is it because of this that the profitability has gone up. Will he explain why the service charges have been increased ?

SHRI JANARDHANA POOJARY : It is true that it is one of the factors for the increase of profits. But it is not the main factor for the increase of the profit in the public sector banks. I do not have the exact figure so far as the profit that has arisen on account of the increase of bank charges is concerned.

Customs Duty Exemptions

*26. **SHRI THAMPAN THOMAS :** Will