

(a) whether Government have set up the Ninth Finance Commission;

(b) if so, the names of the members and terms of reference of the Commission; and

(c) the time by which it will complete its work and submit its report to Government?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI) : (a) Yes, Sir.

(b) and (c). A copy of the Presidential Order constituting the Ninth Finance Commission is laid on the Table of the House.

[Placed in the library see No. LT-4572/87]

### Manual Seedling Operation

\*51. SHRI VIJAY N. PATIL : Will the Minister of ENVIRONMENT AND FORESTS be pleased to state:

(a) whether Government have examined the economy of serial seedling as against the manual seedling under afforestation programme;

(b) if so, whether the cost benefit is assured more in the case of manual seedling; and

(c) whether Government will encourage the manual seedling in view of prevailing famine conditions in many States with a view to provide employment opportunity to the drought hit population?

THE MINISTER OF ENVIRONMENT AND FORESTS (SHRI BHAJAN LAL): (a) and (b). No Sir. Aerial Seedling has been done in our country largely on

experimental basis by the State Governments, with a view to studying the effectiveness of the Aerial Seeding technology particularly in inaccessible hilly and ravinous areas.

(c) Most of the seeding done in afforestation/reafforestation works is through manual labour only.

### Financial Concessions to Deep Sea Fishing Industry

\*52. CH. RAM PRAKASH : Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that the Reserve Bank of India has issued guidelines to commercial banks to grant liberal financial concessions to the deep sea fishing industry;

(b) whether the nationalised banks have not implemented such guidelines with respect to deep sea fishing industry for the purchase of fishing trawlers;

(c) if so, whether Government propose to monitor such laxity on the part of nationalised banks; and

(d) the steps proposed to be taken to expedite the assistance to deep sea fishing industry by nationalised banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d). The bank credit to deep sea fishing industry comes under priority sector and as such is governed by the guidelines issued by Reserve Bank of India for lending to priority sector. RBI has issued no separate guidelines for providing bank credit to deep sea fishing industry.

According to instructions issued by RBI, the banks have to deploy at least 16 per cent of their outstanding advances towards direct agriculture which, amongst other activities, includes fishing also. The direct agricultural advances by public

sector banks were 16.2 per cent to total outstanding advances as at the end of March 1987.

With a view to expedite the assistance to borrowers under priority sector, RBI has issued instructions that loan applications upto Rs. 25,000/- should be disposed of within a fortnight and of more than Rs. 25,000/- within a period of eight to nine weeks.

#### **Seizure of Heroin near Jodhpur**

\*53. SHRI M. RAGHUMA REDDY:  
SHRI DHARAM PAL SINGH  
MALIK :

Will the Minister of FINANCE be pleased to state:

(a) whether one quintal of heroin worth Rs.25 crores was seized near Jodhpur in the third week of June, 1987?

(b) if so, the details thereof ;

(c) whether any arrests have been made in this connection; and

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

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d). On 10/11.6.1987, the Rajasthan State Police intercepted a truck at Jodhpur and seized 198.975 kgs. of heroin of Pakistani origin. In a follow up action, on 14.6.1987, a further quantity of 91.270 kgs. of heroin was also seized from the village Bangasar of Bikaner district. The truck driver and an associate had been arrested for appropriate action under the law.

Investigations in the case are under progress.

No precise value of the drugs seized can be determined as the same is dependent on various factors like the

purity of the drug, source of origin, etc. and varies from place to place.

[*Translation*]

#### **Remission of Loans by States**

\*54. PROF. NIRMALA KUMARI  
SHAKTAWAT:  
SHRI KAMLA PRASAD SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has taken any stand in regard to the power of State Governments to grant remission of loans given by the cooperative/rural and commercial banks;

(b) if so, the details thereof; and

(c) the likely impact of such remission of loans on developmental schemes and viability of financial institutions?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). The Reserve Bank of India (RBI) has issued guidelines to banks for providing relief to borrowers in the case of natural calamities or other adverse exigencies. Subject to the guidelines issued by RBI/NABARD credit institutions can remit or reschedule loans on the merits of each case, if such action is warranted according to their commercial judgement. The power to remit dues generally vests with the institution which has lent to the borrower and no other agency can grant remission of such dues unilaterally.

2. The Reserve Bank of India has consistently taken a stand that even a declaration by a State Government agreeing to meet the liability of defaulters adversely affects the requisite financial discipline of the borrowers and vitiates the recovery climate. Such measures also build up expectations on the part of borrowers, that the loan instalments due