

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

for repayment in future could also be similarly waived and consequently their inclination to repay loans gets weakened. This adversely affect the viability of financial institutions and their capacity to recycle funds, there by reducing the availability of resources for development purposes.

Agreement between India and the USSR

*55 SHRI VIRDHI CHANDER JAIN:
SHRI SHANTARAM NAIK:

Will the PRIME MINISTER be pleased to state:

(a) whether an agreement between India and the USSR on cooperation in Science and Technology was signed during the recent visit of the Prime Minister to the Soviet Union;

(b) if so, the salient features of the agreement; and

(c) the Particular areas in which India will benefit from this agreement?

THE MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT ATOMIC ENERGY, ELECTRONICS AND SPACE (SHRI K. R. NARAYANAN):

(a) Yes, Sir, an Integrated Long-term Programme of Cooperation in Science and Technology between the Republic of India and the Union of Soviet Socialist Republics has been signed in Moscow on July 3, 1987 during the recent visit of the Prime Minister to the Soviet Union.

(b) This programme envisages long-term cooperation (upto the year 2000 A.D.) in Science and Technology between the two countries. It has three basic components namely (i) Cooperation in thrust areas related to frontiers of Science & Technology, (ii) Cooperation in basic research in selected areas of science and

(iii) Exploring other areas for future cooperation in Science and Technology.

The thrust areas are (i) Bio-Technology and Immunology, (ii) Material Science and Technology, (iii) Laser Science and Technology, (iv) Catalysis, (v) Space Science and Technology, (vi) Synchrotron Radiation Sources, (vii) Water Prospecting and (viii) Computers and Electronics.

Both sides have also agreed to continue and broaden their cooperation in basic research in the areas of Mathematics; Theoretical and Applied Mechanics; Earth Sciences; Radio-physics and Astrophysics; Ecology and Environment; Basic Research in Chemical Sciences and Biology.

In addition to above the two sides agreed to explore other possible areas in Science and Technology for future cooperation.

The programme will be implemented through exchange of visits by scientists and technologists; creation of collaborative scientific centres or groups for execution of joint programmes; organisation of bilateral seminars; exchange of scientific and technical information; and sharing of the results of common R&D work.

The two sides have agreed to establish an Indo-Soviet Joint Council for the implementation and coordination of this programme. It has also been decided to constitute a National Coordination Committee to evolve an ongoing national approach and - facilitate overall coordination from the Indian side. The Department of Science and Technology will coordinate this programme from the Indian side and USSR State Committee for Science and Technology from the Soviet side.

(e) It is expected that India will benefit in all the areas identified for