

submitted its report on the 7th January, 1994. The recommendations are under consideration of the Government. Suggestions received from various quarters, including the Federation of Indian Chambers of Commerce and Industry will be kept in view at the time of taking a final decision on the recommendations made by the Committee.

RBI to monitor Private Banks

5471 SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to a newsitem published in the Financial Express dated 12th April, 1994 captioned "RBI to monitor private banks" to ensure that they fulfil the priority sector obligations and social commitments laid down by the apex bank;

(b) if so, the details thereof and policy laid down therefor, and

(c) in what manner Government propose to ensure that significance of the Public Sector Banks would not in any way be diminished by bringing private banks in the scene?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir.

(b) Reserve Bank of India (RBI) guidelines on the entry of new private sector banks stipulate *inter alia* that they will have to observe priority sector targets lending as applicable to other domestic banks. These guidelines also stipulate that to enable the new private sector banks to lend to all categories of the priority sector, some modification in the composition of the priority sector lending may be considered by RBI for an initial period of 3 years.

(c) The setting up of new banks in the private sector is expected to improve competitive efficiency of the banking system and upgrade technology. It is also expected that the existing banks including public sector banks would reorganise their operations so as to meet the competition posed by the new private sector banks.

Government's Policies on Banks

5472. SHRI GURUDAS DAS GUPTA.
SHRI N.F. BALARAM:

Will the Minister of FINANCE be pleased to state:

(a) Whether it is a fact that government's welfare policies and telling the banks to clean up their balance sheets, have pushed to the back burner the social oriented programmes, like Rojgar Yojna for unemployed youth and loan to the priority sector, and

(b) if so, what steps are being taken to see that these sectors are not denied financial support from the banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) No, Sir.

(b) Does not arise

Follow up actions on JPC Report

5473. SHRI SOMAPPA R BOMMAI:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state-

(a) what are the details of the follow up action taken by Government on the JPC report on scam;

(b) what are the reasons for delay in taking the action on the report and

(c) what is the present position?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) to (c) The Joint Parliamentary Committee presented its report to Parliament on 21-12-1993. The report has been discussed in both the Houses of Parliament. A committee comprising of Finance Secretary, Secretary (Revenue), Secretary (Expenditure), Special Secretary (Banking) and Deputy Governor Reserve Bank of India has been constituted in the Ministry of Finance to process various recommendations concerning Ministry of Finance. An Inter-Ministerial Committee has also been constituted under the Chairmanship of Cabinet