

Withdrawal of Rs. 500 notes from circulation in Kashmir

2808. DR. ABRAR AHMED:
SHRI SURESH KALMADI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has withdrawn 500-rupee notes from circulation in Kashmir; and

(b) if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) No, Sir.

(b) Does not arise.

Setting up of a joint venture bank with Nepal

2809. SHRI PASUMPON THA. KIRUTTINAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have taken a decision to set up a Joint Venture Bank with Nepal and a MOU has already been signed to this effect by the two countries, recently;

(b) if so, what are the details thereof; and

(c) what is the investment by both the countries in the Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c) State Bank of India have reported that they have signed a memorandum of understanding (MOU) on 17th July, 1992 with their proposed Nepalese institutional partners, namely: (a) Agricultural Development Bank of Nepal and (b) Employees Provident Fund Nepal, for setting up of a Joint venture commercial bank in Nepal (JVB). The paid up capital of the JVB would be not less than N. Rs. 50 million. State Bank of India will have a share of 50 per cent in the capital of the bank.

स्टेट बैंक आफ इन्डोर द्वारा अर्जित किया गया लाभ

2810. श्री राम नरेश यादव : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) वर्ष 1991-92 के दौरान स्टेट बैंक आफ इंदौर ने कुल कितना लाभ अर्जित किया और इसका प्रतिशत कितना है ;

(ख) इस बैंक की कितनी शाखाओं को घाटा हुआ ; और

(ग) घाटे को कम करने के लिए क्या कदम उठाए गए हैं ?

वित्त मंत्रालय में राज्य मंत्री (श्री दलबीर सिंह) : (क) स्टेट बैंक आफ इन्दौर ने 31 मार्च, 1992 को समाप्त वर्ष के लिए 322.50 लाख रुपए के शुद्ध लाभ की सूचना दी है । शुद्ध लाभ बैंक की कार्यशील निधियों का 0.19 प्रतिशत है ।

(ख) 31 मार्च, 1992 की स्थिति के अनुसार स्टेट बैंक आफ इन्दौर की 335 शाखाओं में से 56 शाखाओं ने हानियों की सूचना दी ।

(ग) हानि उठाने वाली शाखाओं की संख्या को कम करने के लिए निरन्तर आधार पर प्रयास किए जाते हैं । इनमें निष्क्रिय परिसंपत्तियों को कम करने, कारोबार में वृद्धि और ऊपरी खर्च को नियंत्रित करने के उपाय शामिल हैं ।

I.O.B. refusal to extend export credit for tobacco

2811. SHRI RAJNI RANJAN SAHU:
SHRI SATYANARAYANA DRONAMRAJU:
SHRI V. HANUMANATHA RAO:
SHRI MOHD. KHALEELUR RAHMAN:
SHRIMATI RENUKA CHOWDHURY:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that tobacco crop generates Rs. 2000 crores in excise

duty every year, besides earning a huge amount of foreign exchange for the country;

(b) whether Government are aware that farmers in Andhra Pradesh produce more tobacco this year on the assurance of increased demand in the world market but Indian Overseas Bank did not extend export credit facilities, due to which the tobacco lost its colour and quality, effecting its exports;

(c) whether it is also a fact that Tobacco Board and exporters requested the Reserve Bank and other Banks, repeatedly, for increase in export credit facilities and, if so, what are the reasons for not acceding to their request;

(d) what steps Government propose to take against the top management of IOB for its callous behaviour and impervious attitude to the needs of the people and take such action as may be exemplary for the financial institution so that tobacco growers and exporters are not let down in this manner in future;

(e) whether it is also a fact that tobacco auctions which are generally concluded by April are still continuing till July whereby the tobacco has lost its colour and quality; and

(f) if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(a) to (d) In view of the likely increase in the demand for tobacco for exports and domestic markets, the Tobacco Board planned for a higher crop of 130 M.Kgs, for 1991-92 in Andhra Pradesh as against 89 M.Kgs. in 1990-91. The Tobacco Board, therefore, urged the banks to enhance the credit limits of exporters for the 1992 Andhra Pradesh auctions.

The issue of increased working capital requirements of Tobacco exporters was discussed in a meeting taken by the Reserve Bank of India with banks, the Tobacco Board and tobacco exporters on 13th June, 1992, where the banks were urged to meet the additional credit needs

of the tobacco trade. It emerged from the meeting that despite its earlier decision to curtail credit facility by 50 per cent of the 1991 level for 1992 operations based on single industry export norms and the very weak financial position of many of the tobacco units, the Indian Overseas Bank (IOB) restored the 1991 limits for credit in 1992. The decision was taken in February, 1992 after representations were made by the Tobacco Board. This was done by IOB with a view to enabling the exporters to participate in the auction well in time taking into account the genuine problems of the traders, its export potential and agrarian interest involved. The bank subsequently went a step further by sanctioning additional limits to various tobacco exporters. This action of the bank was appreciated by the Tobacco Board and some leading exporters. A letter was also written by the Chairman of the Tobacco Board to the Chairman of IOB complimenting the bank for responding favourably to the Board's request for sanctioning additional limits. It was further mentioned in the letter that but for the timely help given by IOB, the tobacco exporters would have faced problems.

According to the information sent by RBI, the limits sanctioned for the 1992 crop by different banks aggregated to Rs. 186.17 crores as against aggregate limits of Rs. 93.37 crores for the preceding year. There was thus a significant increase in bank finance to tobacco exporters.

(e) and (f) The Tobacco Board communicated to the IOB on 5th June, 1992 that they intended to close auction floors on 29th June, 1992 except for one floor where auctions might be extended till the first week of July, 1992. It was explained by the Tobacco Board to IOB that but for the auction days lost in the tobacco grower's agitation and Tobacco Board staff strike, they would have wished to close the auction much earlier.