

(b) State Bank of India historically had different service conditions compared to other banks. When salary structure of other banks got rationalized in 1st Bi-partite Settlement of 19.10.1966, the State Bank of India was not a party to the said settlement. Therefore, some differences remained in the service conditions of Nationalized Banks with that of State Bank of India. Subsequently, the service conditions of Nationalized Banks were extended to employees of Regional Rural Banks in the year 1991. However, pension scheme is not extended to them.

(c) As of today, no strike call is pending in the Banking Industry except the notice given by the six constituents of United Forum of Bank Unions (UFBU), an apex body of Employee Unions of Public Sector Bank dated 22nd June, 2009 for a day's strike on 6th July, 2009 against the proposed merger of State Bank of Indore with State Bank of India.

(d) Wage Negotiations are under way between United Forum of Bank Unions (UFBU) and Indian Banks' Association (IBA). Issues such as Compassionate Appointment, another option for pension etc. are also being discussed between IBA and UFBU.

Unlawful financial business

301. SHRI RAJKUMAR DHOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that naxalites in Bihar and adjoining States have set up banks capitalizing on money from robberies, kidnapping etc. and loaned out the same at lower rates of interests;

(b) if so, the details thereof; and

(c) the steps proposed to be taken to stop this unlawful and unregulated financial business?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) The information is being collected and will be laid on the table of the House.

Inflation and rise in retail price

302. SHRI D. RAJA:

SHRI M.P. ACHUTHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the retail prices of sugar, tea, pulses, cereals etc. have gone up steeply during the last few months when the wholesale price index-based inflation was going down nearing zero level;

(b) if so, the comparative retail prices of main agricultural/food products since January 2009 and wholesale price index month-wise; and

(c) what are the reasons for variation in the prices during these months?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) The year-on-year monthly inflation rates measured by WPI are given in table 1. Retail prices of essential commodities for Delhi centre, monitored by Department of Consumer Affairs is indicated in table 2 below:

TABLE 1 : Monthly WPI inflation in 2008-09

Year	WPI All	Food index	Cereals	Pulses	Edible Oils	Sugar	Tea
Jan-09	4.9	9.5	10.9	13.6	-0.2	16.9	43.2
Feb-09	3.5	9.1	12.7	16.8	-4.3	24.0	29.8
Mar-09	1.2	7.5	11.7	10.8	-10.0	21.4	25.3
Apr-09	1.3	9.0	11.6	13.7	-5.8	27.7	20.3
May-09	0.4	9.0	12.4	14.9	-4.1	30.0	36.8
Jun-09	-1.5	8.6	12.9	16.5	-10.3	33.8	39.9

NOTE: Inflation of May is provisional and for June average of 3 weeks.

TABLE 2: Daily Retail Prices of Essential Commodities of Delhi (Rs./Kg.)

	Current Date	1 Month Back	3 Months Back	6 Months Back	1 Year Back	% Increase 29-9-09/
Commodity	29-6-09	29-5-09	29-3-09	29-12-08	29-6-08	29-6-08
Rice	20	20	22	22	20	0.0
Wheat	13	14	13.5	13	13	0.0
Gram	34	34	33	35	34.5	-1.4
Tur/Arhar	66	61	52	50	43	53.5
Sugar	27	27	24	21	17	58.8
Groundnut	105	109	101	111	122	-13.9
Mustard Oil	66	70	62	77	83	-20.5
Tea (Loose)	144	146	138	143	121	19.0
Urad Dal	52	56	45	45	38	36.8
Moong Dal	56	57	46	45	38	47.4
Masur Dal	56	58	51	61	48	16.7

The fall in year-on-year inflation measured by the Wholesale Price Index (WPI) was an extension of the declining trend which set in from September 2008 and turned negative in June, 2009. The negative inflation stemmed from a major decline in the fuel group and a lesser decline in the group of

manufactured products, accruing from a high statistical base in the corresponding period in 2008. Despite the fall in overall inflation, inflation in essential commodities continues to remain high, on account of lower agricultural production in some crops, increase in the minimum support prices and growth in demand.

Housing loan interest rate

303. SHRIMATI T. RATNABAI: Will the Minister of FINANCE be pleased to state:

(a) whether Government has any proposal to give loans at the rate of 6.5 per cent for the housing sector to boost its image;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) what is the present status of loans for the housing sector for loan amount of rupees 5, 10, 15, 20 and 25 lakhs in each State especially in Andhra Pradesh where the people of Scheduled Caste/Scheduled Tribe are demanding to give loans at low level?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) There is no proposal of the Government to give loans at the rate of 6.5% for the housing sector at present. Rates of interest above Rs.2 lakh are deregulated and are determined by the banks themselves.

(d) Data on loans for the housing sector in the manner desired is not being maintained by the Reserve Bank of India (RBI). However, keeping in mind the interests of the common man, an incentive package was announced for the housing sector on 16.12.2008 by the Indian Banks Association (IBA) under which the public sector banks are providing new housing loans up to Rs.5 lakhs at a rate of interest which is not to exceed 8.5% p.a. for the first five years. For housing loans from Rs.5 lakhs to Rs. 20 lakhs, the rate of interest is not to exceed 9.25% per annum for the first five years. As a further incentive, there are no processing charges, no pre-payment charges/penalty and a free insurance cover is to be provided to the borrower for the entire amount of outstanding loan.

Agriculture Credit

304. SHRI VIJAY JAWAHARLAL DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether the Public Sector Banks achieved the envisaged agriculture credit target of Rs. 250000 crores during the fiscal 2008-2009;

(b) if so, what are the projected targets of agriculture credit for 2009-2010;

(c) whether the repayments schedules are maintained;

(d) if not, what is the percentage of non-payments by farmers; and