

SHRI R. VENKATARAMAN: What I said is that we will not delay the M.B.T. If our engine is not developed and if it becomes necessary, then we will certainly import. I do not give an undertaking that I will not import if I can help it. If it is going to be delayed, then in that case and in that case only we will import.

MR. CHAIRMAN: You have that.

SHRI R. VENKATARAMAN: The hon. Member said that he was glad that the hon. Minister had decided to import it. I wanted to correct it. We have developed an armour. I have mentioned it in the budget debate also in the House. This is the armour which today is the best in the world. Our R&D has achieved a remarkable success in this regard. For the prototype we have used mild steel because every thing has got to be going on changing. So, we have used mild steel. It is not going to be the final shape. The (mal) shape of the armour will be the Kanchan armour.

Bank deposits

*20. SHRI CHATURANAN MISHRA-Will the Minister of FINANCE be pleased to state:

(a) what is the amount of total deposits in Scheduled Commercial Banks at the end of 1983-84;

(b) what is the aggregate of the advances given during the year;

(c) whether it is a fact that the demand for funds is rather low; and

(d) if so, whether Government propose to take some special measures to use this money for the development of backward region and States including Bihar?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDFVNA POOJARY)- (a) \u

(d) A statement is laid on the Table of the House.

Statement

According to available provisional data the deposits of scheduled commercial banks amounted to Rs. 60,233 crores as on the last Friday of March 1984. On the same day the advances of these banks amounted to Rs. 50,718 crores.

The outstanding advances of scheduled commercial banks increased by Rs. 5225 crores between April 1 1983 to March 30, 1984 as compared to the increase of Rs. 5340 crores during the period April 1, 1982 to March 31, 1983. Data for outstanding advances of the scheduled commercial banks for March 31, 1984 have not yet become available.

The basic thrust of credit policy pursued by the Reserve Bank of India; has been on meeting all genuine of credit for productive purposes and to assist in live fuller utilisation of available capacities without fuelling inflationary expectations or permitting a counter-productive build-up of inventories.

The credit expansion effected by banks is within the parameters of this overall policy determined by the requirements of the economy as a whole. While the geographical dispersal of bank credit is influenced by several factors such as the level of economic activity, particularly in the sectors of large and medium industry and wholesale trade, which in turn depends on* development of infrastructure facilities proximity to markets, availability of raw materials, industrial relations etc. banks do endeavour to increase the flow of funds in the relatively underdeveloped areas. Towards this objective, the banks have been asked to endeavour to increase credit deployment in relatively under-developed States by identifying and extending assistance to small viable ventures in priority sectors. Banks are formulating district credit plans for facilitating

coordinated action by all the agencies concerned at the district level in the implementation of development programmes involving credit assistance to the beneficiaries. State Governments have also been asked to strengthen their institutional infrastructure to facilitate routing of bank credit to identified beneficiaries under specific schemes for the weaker sections. Banks are also actively participating in the implementation of developmental programmes like IRDP and Self-employment scheme etc. These measures are expected to increase the flow of funds in under-developed areas, including Bihar.

SHRI CHATURANAN MISHRA: It is clear from the statement that there is a surge of deposits in the commercial banks and the policy formulated for credit is the old one. So, it does not meet my question. I wanted to know whether in view of this surge in deposits a new policy has been formulated or whether they are sticking to the old one.

SHRI PRANAB KUMAR MUKHERJEE: The hon. Member is confused between the credit policy and the investment policy. So far as deposit mobilisation is concerned, the credit policy is decided twice a year by the Reserve Bank of India once for the busy season starting from the last Friday of October and then for the slack season from the beginning of April. One of the objectives of the new credit policy which is in operation is to mop up excess liquidity because we have to keep in mind what the money expansion should be so that we can control the rate of inflation keeping in view the anticipated growth. If the hon. Member thinks that since the banks' deposits are increasing, the entire extra incremental deposit should be invested, then I would say that this is not the policy.

SHRI CHATURANAN MISHRA: This is not the point, Sir. I know what the hon. Minister has said. I will refer to Bihar where the credit and deposit ratio is very low. Even 50 per cent of

what is deposited is not being invested in that State. So, I will like to know how he is going to rectify this distortion, particularly in Bihar. I would like to know what is the credit and deposit ratio that he is having at present.

SHRI PRANAB KUMAR MUKHERJEE: I can give you the information in regard to the credit-deposit ratio. So far as the rural area is concerned, we took a decision that it would be 60 per cent. We have not made any specific limit for the urban sector. So far as the regional rural bank operation is concerned, we have permitted them to have a credit deposit ratio of even one hundred per cent. A large number of districts of Bihar are also covered by the regional rural banks and they can go up to 100 per cent. Some of them have already reached that limit. So far as the particular information in regard to Bihar is concerned, I have got it.

MR. CHAIRMAN: He says that there is a disparity.

SHRI PRANAB KUMAR MUKHERJEE: Our objective is to reach 100 per cent in the current plan. Our objective is to reach sixty per cent in rural areas as a whole.

So far as Bihar is concerned, its credit and deposits ratio is presently 44.30 per cent. For RRBs it is 90 per cent.

SHRI CHATURANAN MISHRA: From this it is clear that a poor State is paying for the development of more developed States. If this ratio remains and if the full deposits in Bihar are not used for us, it means a poor State like Bihar is made to finance more developed States. What are the special measures that you are going to take for the poor States?

SHRI PRANAB KUMAR MUKHERJEE: I cannot accept the proposition of the Hon'ble Member. He knows that forty per cent of the bank deposits are made in Government securities from where Central assistance to fin-

ance Plan is being given. Therefore, I cannot accept the proposition of the Hon'ble Member that the bank deposits in a particular State should be deployed in that particular State.

MR. CHAIRMAN; Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Domestic price of C.T.C. tea

*21. SHRI BUOY KRISHNA HAN-DIQUE: Will the Minister of COMMERCE be pleased to state:

(a) whether the ban on export of Cut, Turn & Curl (C.T.C.) tea has achieved its desired objective of bringing down the domestic price of this variety of tea;

(b) if not, whether Government contemplate to withdraw the ban; and

(c) whether Government propose to probe into the matter to find out whether the price escalation is due to manipulation?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. SANGMA): (a) and (b) Yes, Sir. Auction prices of tea registered a significant decline after the announcement of ban on C.T.C. tea exports. The ban is temporary and intended to be relaxed after the availability of tea from the production of 1984 increase sufficiently.

(c) Government have no information that the price rise is due to manipulation.

Sub-standard and unhygienic meals served on Air India flights leaving London

SHRI KHUSHWANT SINGH: SHRI M. KADHARSHA:

the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether his attention has been drawn to a report in 'The Observer' of London of April 1, describing

that the meals served on Air India flights leaving London have been "substandard and unhygienic";

(b) whether Government have received any complaints in this regard from the passengers;

(c) if so, what is the number of complaints received, during the last, one year; and

(d) what steps Government propose to take against the caterers responsible for supplying such meals?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM AND CIVIL AVIATION (SHRI KHURSHEED ALAM KHAN): (a) A news item published in the issue of a national newspaper of April 2, 1984 referring to such a report in 'The Observer' London has come to the notice of Government.

(b) and (c) During the period January to August, 1983 four instances of unsatisfactory food being served on Air India's flights from London were reported. Two more instances—one in December, 1983 and the other in January, 1984 have also since been reported.

(d) The caterers had expressed regrets for the first four instances mentioned above. As regards the remaining two, payment for the entire food stuff uplifted for the two flights has been stopped. It has also been decided to issue to the caterers a three month's notice of termination of their contract and to invite fresh tenders for awarding the catering contract.

*28. [Transferred to the 3rd May, 1984].

Alleged irregularity in the supply of cloth by the NTC

*29. SHRI SURAJ PRASAD:

SHRI KALYAN ROY:

Will the Minister of COMMERCE be pleased to state:

(a) whether Government's attention has been drawn to a news item captioned "Irregularity in the supply of cloth" which appeared in the *Statesman*.