

Blanket permit scheme

2603. SHRIMATI JAYANTI PATNAIK: Will the Minister of FINANCE be pleased to state:

- (a) whether the Reserve Bank of India has announced the introduction of blanket permit scheme;
- (b) if so, the purpose of introducing such blanket permit scheme; and
- (c) the steps taken by Reserve Bank of India to give major thrust to exports?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) to (c) With effect from 8th June, 1987, a new Blanket Exchange Permit Scheme has been introduced, in lieu of the then existing RBI and ITC Blanket Permit Schemes. The new Scheme is more broad-based and flexible both as to eligibility of exporters and the purpose for which exchange can be drawn by holders against Blanket Permits. It allows a much greater degree of freedom to holders of the Blanket Permits to draw exchange for a number of additional items and has done away with monetary ceilings on expenditure on certain specified items. The maximum amount of foreign exchange for which exporters are eligible under the new Scheme is also considerably higher as compared to their aggregate foreign exchange entitlements under the old RBI and ITC Blanket Permit Schemes put together.

The basic objective behind introducing the new scheme is to encourage exports. It is a facility to exporters to undertake various export promotion and other business activities abroad including *inter-alia* foreign travel at short notice without approaching the RBI each time.

Tenure of Directors in State Bank of India

2604. SHRI C.K. KUPPUSWAMY: Will

the Minister of FINANCE be pleased to state:

- (a) whether Government are aware that the restrictions placed by the Banking Regulation Act, 1949 on the maximum period for which a director could hold office is not made applicable to State Bank of India and its associate banks;
- (b) if so, the reasons therefor;
- (c) whether the directors in State Bank of India who have been holding office continuously beyond 8 years have been transferred; and
- (d) if not, the action taken/proposed to expedite the process of identification of suitable successors in respect of these directors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d). The terms of office of Directors on the Central Board of State Bank of India (SBI) is governed by the relevant provisions of the State Bank of India Act, 1955 and not by the provisions of the Banking Regulation Act, 1949. At present, two directors on the Central Board of State Bank of India are holding office continuously beyond eight years pending appointment of their successors as required under the provisions of the State Bank of India Act, 1955. Appointment of a successor to one of the above two directors who is an Officer Director on the Central Board of SBI is subject to litigation in the Court and the cases are pending. Government have already initiated the process of identification of suitable successor in respect of the other director who is continuing beyond eight years on the Central Board of SBI.

Inter-transfer of officials in banks

2605. SHRI C.K. KUPPUSWAMY: Will the Minister of FINANCE be pleased to state: