

Inadquate flow of credit to rural artisans

3643. SHRIMATI KISHORI SINHA: Will the Minister of FINANCE be pleased to state :

(a) whether his attention has been drawn to a survey by the Reserve Bank of India which found that the flow of credit to rural artisans from the banking system was inadequate;

(b) if so, whether corrective steps have been taken;

(c) whether the changing pattern of rural jobs and the fall in demand for the goods of rural artisans are some of the considerations in banks denying credit to rural artisans;

(d) if so, whether attempt is proposed to be made to help rural artisans to face the changes in the demand for their products and skills; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (e) RBI conducted a sample study in 1980 covering the banks assistance to artisans, village and cottage industries which revealed that progress in extending credit facilities to these categories was not satisfactory enough. The RBI then issued detailed instructions to all scheduled commercial banks to rectify the loopholes observed during the study. The progress made by banks in extending composite loans to artisans, village and cottage industries is set out below.

Year	No. of units financed	Amounts in crores of rupees
		Total outstanding amount
1979	296000	51.44
1980	346000	69.38
1981	432000	98.42
1982	439000	109.85
1983	640000	185.24

In areas where the pattern of rural jobs are changing and there is a fall in demand for goods produced by rural artisans, banks in consultation with their staff in production and marketing management, suggest changes in product lines and product range with a view to meet the changed patterns in taste and demand. Agencies like District industries development corporations are also involved in helping the artisans, village and cottage industries through expert advice, provision of appropriate infrastructure including marketing infrastructure, upgradation of skills, etc.

[Translation]

Complaints about efficiency of rural banks

3644. SHRI AMITABH BACHCHAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have received complaints through various sources regarding the working and efficiency of rural Banks; and

(b) if so, the details of these complaints and the action taken by Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) Government have received complaints from public including Members of Parliament, Legislative Assemblies regarding the working of Regional Rural Banks. These complaints mainly relate to harrassment to public, irregularities in appointment of staff, corruption in the disbursement of loans etc. The complaints are promptly enquired into and suitable remedial action is taken wherever found necessary.

[English]

Money lost by Parliament Street branch of Allahabad Bank in dealing with Amar India International

3645. SHRI DIGVIJAYA SINGH : Will the Minister of FINANCE be pleased to state :

(a) the total amount of money Allahabad Bank, Parliament Street Branch, New Delhi lost in their dealing with Amar India International, New Delhi;

(b) who was responsible for this loss;

(c) whether special concessions, waiving normal banking norms were given to Amar India International;

(d) whether any action has been taken against the officers who were responsible for this loss to Allahabad Bank; and

(e) whether a C.B.I. enquiry is pending in the matter?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (e) Allahabad Bank has reported that it has certain outstanding advances against M/s Amar India International, New Delhi. For a part of the outstanding, a claim has been filed by it with the Export Credit and Guarantee Corporation. A civil suit against the company and the guarantors has also been filed in the Delhi High Court for the recovery of the amount. In terms of the statutes governing banks and the customs and usages prevalent amongst them, further details about the individual constituents of the banks and their affairs cannot be divulged. However, the bank has referred the matter to Central Bureau of Investigation which has registered a case for investigation. Further action including action against staff, if any, will be taken by the bank in the light of the CBI's report, when received.

Loans to marginal farmers from cooperative and nationalised banks

3647. SHRIMATI GEETA MUKHERJEE : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank is proposed to be instructed to remit the old debt of marginal farmers in the co-operative banks and other banks considering that very substantial number of marginal farmers are being deprived of the opportunity

of further loans from co-operatives banks and nationalised banks due to being defaulters as they are unable to repay the old debts often surpassing the principal by several times due to interest; and

(b) if not, whether an alternative proposal is under consideration to remit the interest of the old debts due from the marginal farmers in banks, including the cooperative banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) Existing stabilisation arrangements in the cooperative credit structure do provide for relief to the agriculturists through various measures like conversion of short-term loans into medium term loans, rescheduling of debts, etc. This is, however, subject to the State Government's declaration of the area as affected by natural calamities. Conversion and rescheduling saves the farmers from being defaulters. However, to protect the interest of small and marginal farmers, RBI has as early as March, 1980 issued a circular to all the States advising them that, if the defaults do not exceed 10% of the eligibility under short-term agricultural loan in cases which arose on account of circumstances beyond the control of the borrowers, they can be provided with fresh finance by the societies concerned at their discretion from out of their own resources. In June 83, NABARD has further liberalised the process according to which the PACs which do not have their own resources to finance such members could be provided with finance by the district central cooperative banks and state cooperative banks.

[Translation]

Licences issued to firms for export of basmati rice

3648. SHRI VILAS MUTTEMWAR : Will the Minister of COMMERCE be pleased to state :

(a) the names of firms issued licences for export of basmati rice during the last three years and the quantum of rice exported by them country-wise and the rates at which exported;