

[*Translation*]

**Investment made in Bihar out of Mutual Funds**

5908. SHRIMOHAMMAD ALL ASHRAF FATMI: Will the Minister of FINANCE be pleased to state:

(a) the amount received by the nationalised banks under 'Mutual Fund' scheme during the last three years and the share invested thereof in Bihar;

(b) whether less investment has been made in Bihar in comparison to the collection made under the scheme;

(c) if so, the reasons therefor; and

(d) the efforts made by the Government to do away with this situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) to (d). The amount collected by Mutual Funds sponsored by nationalised banks during the last three calendar years was about Rs. 4655.5 crores. The resources raised by mutual funds are invested in capital market securities such as shares and debentures and money market instrument. Most of these instruments are not state specific, hence details of investment in Bihar cannot be given.

**Waiving of Loans in Haryana**

5909. SHRI DHARAMPAL SINGH MALIK: Will the Minister of FINANCE be pleased to state:

(a) the amount of loans waived of and outstanding against the persons of lower income group in Haryana by various Regional Rural Banks from January 1991 to December 1991; and

(b) the steps taken by the Government

to recover the outstanding amount?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Presumably the Hon'ble member desires to know the amount waived off by Regional Rural Banks (RRBs) in the State of Haryana under Agricultural and Rural Debt Relief Scheme, 1990. National Bank for Agriculture and Rural Development (NABARD) has reported that as on 14.3.92, relief has been provided by Regional Rural Banks in the State of Haryana in the case of 67,313 accounts which had been identified for relief under the scheme to the extent of Rs. 20.47 crores.

(b) As on March 1991, the total outstandings of four Regional Rural Banks functioning in Haryana stood at Rs. 129 crores and the percentage of recovery to demand (June 1991 - latest available) was 39.82%. Apart from the existing procedure of recovery through persuasion, penal provisions and ultimately legal channels are also resorted to by banks for enforcing recovery of their dues.

[*English*]

**Credit Card System for Farmers**

5910. SHRI SOBHANADREESWARA RAO VADDE: Will the Minister of FINANCE be pleased to state:

(a) whether the present procedure of documents to be filled by farmers applying for credit is very cumbersome and time consuming;

(b) if so, whether the Government propose to introduce pass Book Card system in order to ensure speedy processing and elimination of unnecessary documentation in regard to the farm credit;

(c) if so, the details thereof;

(d) the likely date from which such

scheme is proposed to be implemented in the commercial banks; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (e). Banks have been advised to ensure timely and adequate flow of credit to farmers for agricultural production. There has been a progressive increase in the flow of institutional credit to this sector. Reserve Bank of India (RBI) has issued detailed guidelines to commercial banks for simplifying and liberalising lending procedures. The important guidelines on the subject are as under;

1. Prescription of scales of finance for crop loans as worked out by the Technical Committee constituted in the districts for various crops and their uniform adoption by banks. These scales of finance are reviewed annually to take care of cost.

2. Disposal of loan applications upto Rs. 25,000/- within a fortnight and those over Rs. 25,000/- within 8 to 9 weeks.

3. Delegation of appropriate sanctioning powers to the rural Branch Managers so that majority of loan applications are sanctioned at branch level itself.

4. No collateral security should be taken by way of mortgage/charge of land or third party guarantee on crop loans upto Rs. 10,000/- where moveable assets are created.

5. No margin is required for agricultural loan upto Rs. 10,000/- for both short-term, medium/long-term loans. The rates of interest charged on such loans are concessional.

6. Loan pass books in regional language should be issued to all IRDP beneficiaries containing details such as the date of

sanction of loan, the amount of loan sanctioned, subsidy received, rate of interest, amount due under each instalment, due date of instalment, etc.

In this context it may also be added that Public Sector Banks take measures on their own like introducing credit cards to farmers with a view to provide easy and timely credit to the farms and also to augment credit flow to agriculture sector. Some of the public sector banks have introduced their Credit Cards on an experimental basis in selected districts. These Cards are given to farmers who have good track record to enable them to get agricultural credit without difficulty to meet their cost of production inputs. The Credit Card would provide following facilities:

(i) It will enable a card holder to secure production credit instantly.

(ii) It will dispense with procedural formalities such as making application, furnishing land record certificates and documentation for every agricultural season.

(iii) It will also dispense with the necessity of the farmer carrying cash for purchase of production inputs.

As per information available, Agricultural credit card scheme has been introduced by Dena Bank, Union Bank of India, Bank of Maharashtra, New Bank of India, Andhra Bank, Vijaya Bank, Indian Overseas Bank, Syndicate Bank, Punjab and Sind Bank, State Bank of India, Canara bank, United Bank of India, Allahabad Bank, Punjab National Bank, Corporation Bank, Central Bank of India, UCO Bank, State Bank of Mysore and Bank of Baroda on an experimental basis in selected areas of States.

#### **Revival of sick Units**

5911. SHRI A CHARLES: Will the Minister of FINANCE be pleased to state: