

State Bank of India and some of the nationalised banks offer financial assistance on liberal terms to manufacturing and processing industries set up in selected areas under Rural Industries Projects, which provide package deal covering consultancy and other assistance to the existing and prospective entrepreneurs for setting up new industries and expanding existing units.

Reserve Bank of India has issued instructions to banks to adopt need-based approach and consider totality of the requirements of small borrowers while sanctioning credit for such borrowers.

Industrial Development Bank of India provides refinance at concessional rate of interest to State Financial Corporations and commercial banks for financing small and medium industries. Measures like acceptance of equitable mortgage in place of registered mortgage, provision of consultancy service and stipulation of lower margin in deserving cases have helped small and medium entrepreneurs.

(c) The available data are set out in the Statement laid on the Table of the House.
[Placed on Library See No. LT-10480 76].

Rupee payment agreements

958. SHRI S. R. DAMANI: Will the Minister of COMMERCE be pleased to state:

(a) the countries with which rupee payment agreements are still in vogue;

(b) whether they apply in general terms or only to particular items of export and import; and

(c) how does the balance of payments position stand with each such country at the end of 31st December, 1975?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI VISHWANATH PRATAP SINGH):

(a) *Arab Republic of Egypt, **U.S.S.R., Czechoslovakia, Hungary, Romania, Poland, Bulgaria, German Democratic Republic and North Korea.

(b) *This trade Agreement relates to particular items specified therein for export from each country. However, trade in these items over and above the levels specified in the Trade Agreement and in items not specified therein is also permitted and in such cases, the payments are in free foreign exchange.

**General in terms of all Trade Exchanges.

(c) No information about India's balance of payments with Arab Republic of Egypt and Sudan is available. However, technical credit outstanding as on 31-12-75 in favour of India under Indo-Sudan Trade Arrangement it was ₹ 7,475,000 whereas under the Indo-A.R.E. Trade Arrangement it was NIL.

In case of Yugoslavia it may be stated that a surplus balance of Rs. 15.7 crores in favour of Yugoslavia is to be liquidated by exports of goods from India within the special list of commodities to be mutually agreed. The list is to contain at least 50 per cent of non-traditional goods.

Opening of branches of banks

959. SHRI DHAMANKAR: Will the Minister of FINANCE be pleased to state:

(a) how many branches of banks were opened in the rural areas during the last three years and what is their percentage to the rural population; and

(b) what is the impact of institutional lending in rural areas in meeting the challenge of dependence of rural population on the money lenders and how far the concept of banking has changed from "Class-banking" to "Mass-banking"?

THE MINISTER OF STATE IN-CHARGE OF THE DEPARTMENT OF REVENUE AND BANKING (SHRI PRANAB KUMAR MUKHERJEE):

(a) Reserve Bank of India has reported that commercial banks opened 706, 624 and 791 branches at rural centres (centres having population of less than 10,000) during 1973, 1974 and 1975 respectively.

Since bank branches located not only at rural centres but also at semi-urban and in some cases at urban centres, provide coverage to the adjoining rural areas, it is not possible to work out separately the population per bank office for rural areas. However, the population per bank office for the country as a whole has been brought down from 33,000 in 1973 to 30,000 in 1974 and further to 27,000 in 1975.

(b) Since nationalisation, public sector banks have been making greater effort for meeting the credit requirements of small borrowers in critical sectors such as agriculture, small scale and cottage industries, small road and water transport operators, retail trade and small business, artisans and craftsmen etc. Their direct finance to farmers has increased from Rs. 40 crores in June 1969 to Rs 576 crores in September 1975. The number of horrowal accounts directly financed by these banks in the agricultural sector has increased from 1.6 lakhs to 24 lakhs over this period. In the context of the 20-point programme, which inter alia envisages liquidation of rural indebtedness, public sector banks are evolving special schemes to assist the beneficiaries of the administrative and legislative action taken by Government, particularly those

connected with the extension of credit to the weaker sections in the rural areas. Public sector banks are also sponsoring regional rural banks in underdeveloped and underbanked areas so as to meet the credit needs of small and marginal farmers and/rural artisans in an increasing measure.

Formula for the grant of relief to pensioners

960. SHRI SHASHI BHUSHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the Third Pay Commission has recommended a formula for the grant of relief to pensioners;

(b) if so, the particulars thereof and the extent to which the relief has so far been offered to pensioners vis-a-vis the regular Government employees; and

(c) whether the full relief has not so far been sanctioned to pensioners and if so, when it is likely to be sanctioned?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI-MATI SUSHILA ROHATGI): (a) to (c). The Third Pay Commission recommended the grant of relief to pensioners as and when there is a 16-point rise in the 12-monthly average of the all India Working Class Consumer Price Index (1960—100), the relief for the first time being paid when the index average reaches 216. On this basis, three instalments of relief have already been granted, covering the index average up to 248. The Finance Minister in his Budget Speech has also announced, keeping in view the resources available, an additional ad hoc relief of 10 per cent of pension, subject to a minimum of Rs. 10 and a maximum of Rs. 50 p.m. w.e.f. 1st October, 1975.