

Regional Rural Banks

1462. SHRI BALGOPAL MISHRA:
Will the Minister of FINANCE be pleased to state:

(a) the total number of regional rural banks in the country;

(b) the total deposits in the aforesaid banks as on June 30, 1990; and

(c) which regional rural bank in Orissa has incurred the highest loss during the last three years?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) There are 196 Regional Rural Banks (RRBs) in the country at present.

(b) The National Bank for Agriculture and Rural Development has reported that the total deposits mobilised by all the Regional Rural Banks as on 30-09-89 (latest data available) amounted to Rs. 3467.99 crores.

(c) While Puri Gramin Bank incurred highest losses during the years 1986 and 1987, Bolangir Anchalik Gramin Bank incurred highest loss during 1988-89 (15 months period) in Orissa.

Working Capital Assistance to Small Scale Sector

1463. SHRI BANWARILAL PU-ROHIT:

DR. LAXMINARAYAN PANDEYA:

SHRI PHOOL CHAND VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has recently issued instructions to all banks to deal with the proposal for working capital assistance to the small scale sector within a time-frame;

(b) if so, the details of the instructions issued by the RBI in this regard;

(c) the extent to which small scale units in the country would be benefited as a result thereof; and

(d) the other measures Government have taken to encourage small scale units?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (d) RBI has reported that guidelines have been issued to commercial banks laying down, inter-alia, that direct loan applications under the priority sector including SSI sector upto a credit limit of Rs. 25,000 should be disposed of within a fortnight and those for over Rs. 25,000 within 8 to 9 weeks. These guidelines are aimed at enforcing a strict time discipline in dealing with all priority sector credit proposals including those received from the SSI sector. The guidelines also envisage issue of acknowledgement with date of receipt of applications and evolving and effective system for monitoring the timely disposal of cases.

A major step in this direction is the setting up of Small Industries Development Bank of India (SIDBI), as the principal financial institution for the promotion, financing and development of industry in the small scale sector. It has become operational with effect from 2-4-90. SIDBI has already liberalised Single Window Scheme by raising the limit on project cost and working capital eligible under the scheme from Rs. 5 lakhs and Rs. 2.5 lakhs to Rs. 10 lakhs and Rs. 5 lakhs respectively.

National Equity Fund Scheme, which was hitherto operated by public sector banks and certain designated institutions only, has since been extended to all State Financial Corporations, private sector banks and selected urban co-operative banks as well. Besides, the scope of the scheme has been enlarged to cover the service activities in addition to manufacturing activities.

The steps outlined above are intended to facilitate the flow of timely