

SHRI P. UPENDRA: Sir, this is not correct that Bihar has been ignored.

MR. SPEAKER: Janardan Yadav Ji, Bihar is not being ignored.

SHRI JANARDAN YADAV: Mr. Speaker, Sir, the previous Government has continuously ignored it.

MR. SPEAKER: But now the Government has changed.

[English]

SHRI P. UPENDRA: Sir, I had just been to Patna recently. I have visited Jamshedpur also and discussed Bihar's problems there with the Chief Minister of Bihar and other officials also. In Muzaffarpur, the programme generating facility is ready and we are going to operate it shortly. In Patna, already there is a temporary studio.

[Translation]

SHRI JANARDAN YADAV: Mr. Speaker, Sir, I am asking about Godda and Santhal Pargana.

SHRI P. UPENDRA: Mr. Speaker, Sir, we are going to set up a T.V. Centre there shortly. Our programme generating facility is ready and we are going to operate it shortly. Five new radio-stations are in the process of setting up and we are going to operate them shortly. We are going to start the telecast of regional news in Patna from 11th of October. In this way, we are paying full attention to Bihar.

PROF. RASA SINGH RAWAT: Sir, I would like to bring it to the notice of the hon. Minister that the utility of television is continuously increasing and the people's interest is also growing. But due to existing L.P.Ts. in big cities, nearby small townships are not able to see all the T.V. programmes. If a transmitter is installed on the Taragarh hill in

Ajmer, residents of Vijaynagar, Beawar, Kishangarh, Pushkar and Naji-rabad will be able to see these programmes. But at present, the transmitter is installed at a low and faulty place, due to which the reception of T.V. programmes in the entire district of Ajmer is not very clear. I would like to know from the hon. Minister whether transmitters and relay centres will be set up at high and proper places, so that people over the large areas could see the television programmes clearly?

SHRI P. UPENDRA: Mr. Speaker, Sir, Generally such complaints have been received. This is a fact. We are conducting an investigation in this regard to see as to how it can be rectified.

[English]

SHRI KAMALUDDIN AHMED: Sir, it is not only confined to a few relay centres, but a large number of centres are defective. I had brought one such defective centre to the notice of the hon. Minister when he visited Warangal. The Minister knows the location of the relay centre and other technical defects of it. He publicly assured that he would get all the defects rectified, but so far nothing has been done. I would like to know whether the Minister at least do something now to rectify those defects.

SHRI P. UPENDRA: Sir, as soon as I came back from there, I looked into the matter. The height of the tower has to be raised and we are taking action for the same.

Credit Deposit Ratio in Banks in Jammu & Kashmir and Punjab

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*429. **SHRI R. N. RAKESH:**

SHRI R. M. BHOYE:

Will the Minister of FINANCE be pleased to state:

(a) the credit-deposit ratio of all the public sector banks in Jammu & Kashmir and Punjab;

(b) whether the ratio is showing a declining trend over the years, and if so, the reasons therefor;

(c) the comparative position of each public sector bank in Jammu & Kashmir and Punjab during the last five years, yearwise;

(d) whether Government propose to take any steps for increasing credit-deposit ratio of the banks; and

(e) if so, the details thereof?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE):

(a) to (e) A Statement is laid on the Table of the House.

STATEMENT

(a) and (c) Credit-Deposit (C:D) Ratio of Public Sector Banks in the States of Jammu & Kashmir and Punjab in last five years was as under:—

(As Percentage)

<i>As on March</i>	<i>Jammu & Kashmir</i>	<i>Punjab</i>
1986 . .	34.45	46.90
1987 . .	32.79	45.18
1988 . .	31.07	42.67
1989 . .	33.37	43.31
1990 . .	32.19	45.42

Details regarding Credit-Deposit Ratio of each Public Sector Bank in the above two States, during the last 5 years is being collected, and to the extent possible, will be laid on the Table of the House.

(b), (d) and (e) Credit-Deposit Ratio in both the States of Jammu & Kashmir and Punjab has shown some fluctuation over the years. Credit-Deposit Ratio is not the sole indicator of economic development of an area. Credit deployment in a particular area depends on the various factors like level of economic activity, entrepreneurship, availability of raw material and other infrastructural

facilities, other investment opportunities and also law and order situation in that particular area. Banks have been advised to take effective steps for improving the flow of credit in deficient areas for productive and identified viable proposals.

SHRI R. N. RAKESH: Sir, the reply given in the statement by the Minister is negative. However, I would like to know from the Minister as to how many public sector banks were functioning in the rural areas of Kashmir valley and Punjab as on 1st January, 1990 and how many are functioning as on today.

PROF. MADHU DANDAVATE: Sir, the question is regarding the credit-deposit ratio. It will be difficult for me just now to give the particulars as to how many banks were functioning on a particular day. If the hon. Member so desires, then I will send him the list of that. Now, let us concentrate on the question that he had asked.

SHRI R. N. RAKESH: Sir, I would like to know as to how many bank branches are there in Srinagar city and in the cities of Punjab and which are those banks. Is the Jammu & Kashmir Bank, a public sector bank? If not why?

PROF. MADHU DANDAVATE: Sir, as I have told earlier, the question is about the credit-deposit ratio. All that I can say on the basis of the question that he had asked is, it is regarding the credit-deposit ratio. In Jammu and Kashmir, the total is 34.8 per cent, in Punjab it is 44.5 per cent and the all India percentage is 64.7. I can only inform the hon. Member that due to various factors, firstly because of the unstable political conditions in Punjab and Kashmir, particularly in the valley area and also due to lack of adequate industrial development, the credit absorption capacity of these areas is less and as a result of that, the cash deposit has, no doubt, gone down. The ideal cash deposit ratio would be 60 and

we will try to do our best and see that the improvement is made to reach the necessary target.

[*Translation*]

S. ATINDER PAL SINGH: Mr. Speaker, Sir, during the winter session, the hon. Minister had stated that as compared to the position of bank deposits in Punjab the amount of loan being given in that State is 20 per cent less and when compared with the national average, it is 30 per cent less. I would like to know as to why these cash deposits are not invested in the industries of Punjab, instead of sending them to other States? What are the reasons thereof?

PROF. MADHU DANDAVATE: I have already stated in my reply to the earlier question, that there are 3-4 factors which are responsible for the declining credit deposit ratio in Punjab. First of all, I would like to tell him that since Punjab problem has not been solved, very few people want to set up industries in Punjab due to the unstable political conditions in that State. Secondly, the position is stated here in respect of credit deposit ratio is the position actually in respect of public sector banks. The co-operative structure in Punjab is very efficient, so in most of the cases the farmers take loans from the co-operative banks in preference to the public sector banks. It is also one of the reasons responsible for a lower credit deposit ratio in respect of public sector banks. Thirdly, it is a fact that the industrial progress of Punjab has come to a halt due to the unstable political situation there. This was your complaint also. With the retardation of industrial development, the credit worthiness of the new industrial units also goes down. It is also a reason behind the lower credit deposit ratio in that State. There will be an increase in the credit deposit ratio, only when the situation prevailing in that State changes.

[*English*]

SHRI K.V. THOMAS: Sir, some States are facing acute unemployment problem. For example, the States like Punjab, Jammu and Kashmir and Kerala are facing acute unemployment problem. The credit deposit in these States is always below the 40% level. There are many reasons for this low credit deposit, in these States. One of the reasons is the attitude shown by the nationalised banks to give credit to the unemployed youth who go to these nationalised banks with self-employment schemes. I myself have got the experience in Cochin where thousands of unemployed youngsters who have gone to the nationalised banks with the schemes approved by the State Government itself to get the financial assistance from these banks. But these nationalised banks did not show any kind of helping attitude to these unemployed youth after submitting their schemes. So, my request to the hon. Minister is, when the schemes have been approved by the State Government of Kerala itself, and especially the States where the credit deposit ratio is below 40%, whether the Government will take special interest and give special instructions to the nationalised banks to see that the schemes submitted by the unemployed youth, which have been approved by the State Government, will be getting sufficient financial assistance.

PROF. MADHU DANDAVATE: I fully appreciate the thrust of the question of the hon. Member. As I have said earlier when the capacity of any particular area to absorb credit increases—capacity increases—to that extent credit given by the banks is also more. If the hon. Member claims that they have prepared certain self-employment schemes in Kerala, also with the approval of the State Government and in spite of those schemes, they are not able to get the credit, I will definitely look into the matter and assure the hon. Member that wherever viable self-employment schemes are prepared by any agencies, they will be offered adequate

credit facilities, at least by the public sector banks. It is because, we cannot have public sector banks and private mentality in credit.

[*Translation*]

PROF. PREM KUMAR DHUMAL: Mr. Speaker, Sir, the hon. Minister has himself admitted in his reply that the deteriorating condition in Punjab has stood in the way of industrial progress. I would like to bring this fact to his notice that the small scale industries of Punjab have made a great contribution in providing employment opportunities to the people but because of wrong policies adopted by the banks and increase made by R.B.I. in the guarantee money on the one hand people are not getting loans from the banks and on the other hand the small scale industrialists have to buy the entire raw material on cash basis and have to sell their finished goods on credit. In this way they are facing many problems. I would like to know whether the small scale industrialists in Punjab would be provided some concession in the rate of banks interest because Rs. 10,000 were recovered from small scale industrialists as bank guarantee was suddenly increased. Whether Government propose to give them some concession.

S. ATINDER PAL SINGH: I also support the question asked by the hon. Member. (*Interruptions*)

MR. SPEAKER: Atinder Pal Singhji, you please take your seat. This is not the way. You please take your seat.

(*Interruptions*)

PROF. MADHU DANDAVATE: The hon. Member wants to know as to why the small scale industries are not being developed in Punjab. We provide loans to the people through banks for three different categories of industries. Loans are provided through banks to large scale industries, small scale industries and as the hon. Member from Kerala has

said under the self-employment scheme. I agree that the small scale industries are facing many problems in regard to the guarantee and other matters. I assure you that if they have some particular problems due attention will be paid to them and the difficulties in their way of getting credit would also be removed.

SHRI HARSH VARDHAN: Mr. Speaker, Sir, Hon. Minister has just stated that the credit deposit ratio has registered decrease all over Punjab because of the situation there in this context, I would like to know from the hon. Minister about the amount of loan sought by the large scale industries, small scale industries and also under self employment schemes from nationalised banks from 1986 till date and the amount of loan provided sanctioned by the banks to them. Kindly provide the separate figures in respect of the large and small scale industries and the self financing schemes.

PROF. MADHU DANDAVATE: Mr. Speaker, Sir, at the moment, I do not have all the relevant figures with me, but I would like to give the other figures. As far as Punjab is concerned, the credit deposit ratio has decreased. In 1986 the ratio was 46 per cent, in 1987 it was 45 per cent, in 1988 the ratio was 42 per cent and in 1989 it rose to 43 per cent.

(*Interruptions*)

MR. SPEAKER: Does it tally?

(*Interruptions*)

SHRI HARSH VARDHAN: Whatever hon. Minister has stated that has already been given in the reply to this question. I just wanted to know from him the amount of loan sought by large and small scale industries and also the amount of loan sought under self employment scheme vis-a-vis the amount of loan provided by banks to each of them.

MR. SPEAKER: That is all. Now please take your seat.

PROF. MADHU DANDAVATE : I was referring to the question first because the credit deposit ratio shows the total deposits with the banks and the total loans provided by them. However, as far as the question of loan sought by the large and small scale industries and by other areas and vis-a-vis the amount of loan provided to them by the banks is concerned, I do not have figures with me at this time but I shall send the same to the hon. Member.

[English]

Impact of Waiving Agricultural Loans

*431. **SHRI MANORANJAN BHAKATA:** Will the Minister of FINANCE be pleased to state the impact of waiving country-wide agricultural loans upto Rs. 10,000 on credit structure, price level and on general economy?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): A statement is laid on the Table of the House.

STATEMENT

Government of India have formulated the Agricultural and Rural Debt Relief (ARDR) Scheme for providing debt relief to farmers, landless cultivators, artisans and weavers upto Rs. 10,000 by public sector banks and regional rural banks. In so far as the banks in the cooperative sector are concerned, State Governments have been requested to frame a scheme on similar pattern. As per reports received, most of the States have accepted in principle the Central Government's scheme for adopting it in respect of cooperatives.

The waiver of loan overdues upto Rs. 10,000 would reduce the past burden on the borrowers and it is expected that the borrowers will service the future loans promptly. As a one time measure debt relief is a positive step which will help relieve the farmers, artisans and weavers of their debt burden due to deterioration in the terms of trade and thus help provide incentive for production and

productivity. The Government also wants to ensure that there is no erosion of the credibility of the banking system. The Government has also made it clear that the above Scheme will not be repeated.

SHRI MANORANJAN BHAKATA: The hon. Minister is not only a very senior Minister but is also a very articulated Minister and I wanted a very truthful answer from him. But, unfortunately he is giving the reply in such a manner by which the main thrust of the question has been diluted.

The question is the impact of waiving countrywide agricultural loans up to Rs. 10,000 and credit structure, price level and general economy. The hon. Minister has not said a single word about the price effect. However, I would like to put my question on the basis of the reply given by the hon. Minister.

The cooperative sector is the responsibility of the State Government. But the States are not having the resources. They are not implementing the programmes. The Central Government and the hon. Finance Minister agree to implement the programme but the States do not have the resources.

I would like to know from the hon. Minister what incentive has been given to the States to implement the programme and how many persons State-wise have been benefited by the scheme.

The responsibility for the Union Territories lies with the Central Government and not with the States. I would like to know what has been done by the Central Government to the Union Territories in this regard and whether the cooperative loans have been waived. So far as my information goes, no cooperative loans were advanced in the recent past because of the default.