

LOK SABHA DEBATES

LOK SABHA

Friday, March 2, 1979/Phalguna 11,
1900 (Saka)

The Lok Sabha met at Eleven of the
Clock

[MR. SPEAKER in the Chair.]

Obituary Reference

MR. SPEAKER: I have to inform the House of the sad demise of Dr. Jairamdas Daulatram, who was a Member of the Constituent Assembly from 1946 to 1950. Earlier, he had been a Member of the Bombay Legislative Council from 1927 to 1929.

A veteran parliamentarian, Dr. Jairamdas Daulatram served as Minister of Food and Agriculture in the Government of India from 1948 to 1950. An able administrator, he held the high office of the Governor of Bihar from 1947 to 1948 and of Governor of Assam from 1950 to 1956.

He was a Member of Rajya Sabha from 1959 to 1976.

He joined the Home Rule movement of 1915, non-cooperation movement of 1921, civil disobedience movement of 1930 to 1934, and the Quit India Movement of 1942 and suffered imprisonment several times.

He was a dedicated Gandhian and participated activity in the social service programmes organised by Gandhiji.

Dr. Jairamdas Daulatram passed away at New Delhi on 28 February, 1979 at the age of 87.

We deeply mourn the loss of this friend and I am sure the House will join me in conveying our condolences to the bereaved family.

The House may stand in silence for a short while as a mark of respect to the departed soul.

The Members then stood in silence for a short while.

ORAL ANSWERS TO QUESTIONS

Loans to rural applicants by Nationalised Banks in Maharashtra

*162. SHRI VIJAYKUMAR N. PATIL: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) is it a fact that many of the nationalised banks in Maharashtra do not advance loans to the rural applicants residing beyond 15 miles radius of their branch headquarters; and

(b) if so, how Government propose to meet the credit requirements of poor farmers and weaker sections situated in the interior parts, especially in a district like Dhule in Maharashtra with its headquarters about 75 to 100 miles away from the poor Adivasis residing at the foot-hills of Satpuda?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) The Reserve Bank had issued guidelines to commercial banks in 1970 indicating that each bank branch should broadly

serve an area within a radius of 10 miles, in order to ensure that it could process and supervise loans effectively. The Reserve Bank has made it clear that the limit of 10 miles was only indicative of the area which a typical branch with one Field Officer or Assistant could serve. There had been no restriction on a branch extending loans beyond the radius of 10 miles if it was confident of being able to supervise the credit.

(b) In areas deficit in banking facilities, such as Dhule District, additional bank branches are planned to be set up during the next three years to meet the credit requirements of the rural and semi-urban areas. In addition, the credit requirements of these areas are met through the agencies of the Primary Agricultural Credit Societies and large sized multipurpose societies established to cater to the needs of the tribal people.

SHRI VIJAYKUMAR N. PATIL: Is it a fact that branches of most of the nationalised banks are situated at taluks and if the radius of ten miles is taken into consideration, only one-third of the villages are covered in that particular taluk. And most of the villages, that is about 2/3rds, are beyond the radius of 10 miles. So, in that case every branch cannot deal with the remaining 2/3rds of the villages and the farmers are residing in those villages. So, pending the opening of new branches, will the Government of India ask through the Reserve Bank of India the nationalised banks to consider the proposals if they are forwarded in clusters so that supervision also would be easy? And therefore, I would like to ask whether these proposals will be considered.

SHRI SATISH AGARWAL: Sir, as I have already stated, it becomes a problem so far as the rural district is concerned and there is a requirement for extending the credit facilities in the rural and semi-urban areas and there is no restriction whatsoever with regard to the 10 miles radius formula,

but the Central Bank has been directed to do all that. That is the lead bank in that district and the State Government has asked us to open 38 branches in Dhule district, and I can assure the hon. Member that these branches will be open within the stipulated period of 3 years in Dhule district and that would cover the whole area and the problem will be solved.

SHRI VIJAYKUMAR N. PATIL: Mr. Speaker, Sir, by the time of three years these branches will be opened and after that these branches will start functioning. In the meantime will the Government of India advise the nationalised banks through the Reserve Bank of India to consider some societies, that is, A class credit societies and the branches of Maharashtra Land Development Bank which advance loans through these societies and branches of the banks?

SHRI SATISH AGARWAL: They are already advancing loans and those Adivasi tribal areas cooperative societies are also advancing loans. I have got all those figures. But if there be any other problem with regard to meeting the immediate requirements of that particular district, I am prepared to discuss the matter with the hon. Member and see to it that the bank comes forward with regard to meeting the requirements of the particular district.

SHRI A. R. BADRINARAYAN: It is a matter for gratification that the hon. Finance Minister is very keen on granting facilities to the rural areas. Now, Sir, it is stated that within 10 miles radius credit is allowed to be given to the rural areas, but we find that the limitation is fixed that the banks should advance only to the limit of 10 per cent. Out of whatever they give by way of loans only 10 per cent is provided and a ceiling is fixed and the banks are not permitted to give loans beyond 10 per cent. Is it true? If it is so, will the Government be pleased to see that instructions are given to the banks in this matter?

SHRI SATISH AGARWAL: I am not aware of any such restrictions having been imposed by the Reserve Bank that only 10 per cent advance should be given. The Government has issued directions and guidelines to all the bank branches that the deposit and credit ratio in the rural and semi-urban areas should also be increased and must be maintained at about 60:40.

SHRI A. R. BADRINARAYAN: From my own experience I find . . .

(Interruptions)

SHRI SATISH AGARWAL: If you give notice, I will look into it.

श्री सत्यजित राय धानकर : पन्डह किलोमीटर के पन्डर बैंक फोइनेंस कर सकते हैं उस से ऊपर नहीं ऐसा मंत्री महोदय ने जवाब दिया है। अभी भी बहुत से जोत शायीय इलाकों में हैं जो इस कारण से मछुते रह जाते हैं और अगर उन को पन्डह के ऊपर भी फाइनेंस करने की इजाजत दी जाए तो वहाँ भी इस सुविधा का लाभ उठाया जा सकता है। इसलिये मैं जानना चाहता हूँ कि सब शांति को तुरन्त क्या इस प्रकार की इन्टरमिडियेट सरकार की ओर से दी जाएगी कि वे चाहें तो पन्डह किलोमीटर के बाहर भी जा कर फाइनेंस कर सकती हैं।

श्री सतीश अग्रवाल : 15 किलोमीटर के बाहर या 10 किलोमीटर के बाहर भी लोगों को इस प्रकार का कर्जा दिया जाये इस संबंध में बैंकों पर निर्भर करता है कि वह अगर सुपरबाइजर का सकते हैं तो कर्जा दिया जाय। कोई पाबन्दी रिजर्व बैंक ने ऐसी नहीं लगाई है कि 10 या 15 किलोमीटर के बाहर न दिया जाये। ऐसे बहुत सारे क्लेजेज हैं जहाँ सेंट्रल बैंक और बाकी बैंक 10, 15 किलोमीटर के बाहर भी कर्जा देते हैं बसते कि बीरोवर्स को कंट्रोल और सुपरबाइजर करना उनके विषे सम्भव हो।

SHRI RINCHING KHANDU KHIRME: The hon. Minister has said that the Reserve Bank has given a clear-cut instruction that the banks should finance the rural areas beyond 10 or 15 kms. also. It is very easy to say that it should be done. Practically it is not happening. I come from a place where it is really difficult to find even a single village near the headquarters of the district. My question is, whether in such areas the Government will ask the Reserve Bank to issue instructions to the nationalised banks to cater to the needs of the

people in rural areas and whether the Government will ask the Reserve Bank to direct the nationalised banks to finance the rural areas beyond 15 kms. also.

SHRI SATISH AGARWAL: As I have already stated, the instructions have already been issued that the banks should not be rigid about 10 or 15 kms. area. If there are clusters of villages or groups of people who are available and who can supervised well, the banks can extend the credit facility and there is no restriction whatsoever and so far as the paucity of the credit facilities in the rural areas are concerned the Government is already undertaking that particular proposal and we are going to have nearly 4,500 branches to cover the entire rural and semi-urban areas.

SHRI V. G. HANDE: In a meeting of the Regional Consultative Committee of the Western Region held in Pune on 13th January 1979, it was recommended that within three years by which time the expansion programme would be over; meanwhile, it would be advisable to distribute all the villages in the districts among the existing branches of the nationalised banks. Will this recommendation be implemented and will the Government give directions accordingly?

SHRI SATISH AGARWAL: I will look into the recommendations of the Regional Consultative Committee and then see what can be done in this behalf.

Indianisation of Pharmaceutical Companies

*163. **SHRI SARAT KAR:** Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) how many pharmaceutical companies have Indianised since Foreign Exchange Regulation Act came into force; and