

Loss Incurred on Account of Drive for Branch Expansion of Nationalised Banks

*733. SHRI SHYAMNANDAN MISHRA: Will the Minister of FINANCE be pleased to state :

(a) whether any loss has been incurred on account of recent drive for Branch expansion of nationalised banks;

(b) if so, the extent of loss incurred and the arrangement by which it is sought to be made good in order to prevent set back in Branch-expansion drive; and

(c) whether some of the newly started branches have been closed?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) and (b). Working results of new offices of the banks should be judged only after a reasonable period of time and, therefore, it is too early to assess the performance of the new offices of the nationalised banks opened after their nationalisation. However, as no nationalised bank has incurred any loss on the totality of its operations, the question of any setback to branch expansion on this ground does not arise.

(c) No, Sir. Only one Office of a nationalised bank opened prior to nationalisation was merged with another office in the same locality in August, 1970.

SHRI SHYAMNANDAN MISHRA: I want to know whether there has been any regional variation in the institutionalisation of savings through these banks; that is, whether there has been a more rapid institutionalisation of savings in certain areas than in others.

SHRI YESHWANTRAO CHAVAN : I think there is quite a possibility of such variation because the development potential of some areas is more than others not only because of natural resources but because of many other reasons as well. For example, one can say that this growth potential in Haryana and Punjab rural areas is better than possibly in Orissa because of many other factors. So, in answer to that I should say, "Yes".

SHRI SHYAMNANDAN MISHRA : What has been the order of transactions in

terms of deposits and advances, generally speaking, in these new branches?

SHRI YESHWANTRAO CHAVAN : I find that the transactions in terms of deposit mobilisation and advances also vary from region to region.

SHRI P. NARASIMHA RADDY : May I know whether a direction has been given to these nationalised banks to go slow with branch expansion and whether, having incurred capital expenditure for opening branches the nationalised banks are not proceeding with actual opening in some districts of Andhra Pradesh?

SHRI YESHWANTRAO CHAVAN : Branch expansion, as a matter of fact, is going according to some planning. I thought, the thrust of the question that was put was whether we were going at a disproportionately faster rate. That was my fear. The lead banks scheme is a new approach by which we are trying to make the lead bank responsible for each area to take initiative and start new branches. New programmes for starting a number of branches in these areas have also been planned and they are going according to the scheme.

SHRI RAJA KULKARNI : Is it not the practice of the nationalised banks to have a survey and collect the report of the localities before opening a branch?

SHRI YESHWANTRAO CHAVAN : Yes, that is the normal practice.

Expansion of Cochin Port in Kerala

*734. SHRI A. K. GOPALAN : Will the Minister of SHIPPING AND TRANSPORT be pleased to state :

(a) whether Government are considering a plan for the expansion of Cochin Port, Kerala;

(b) if so, the main features thereof; and

(c) when a decision is likely to be taken in this matter?

THE MINISTER OF PARLIAMENTARY AFFAIRS, AND SHIPPING AND TRANSPORT (SHRI RAJ BAHADUR) : (a) to (c).