

[Translation]

Branches of Public Sector Banks

2595. SHRI SHIV RAJ SINGH CHAUHAN: Will the Minister of FINANCE be pleased to state:

(a) the number of branches of public sector banks, commercial banks, Regional Rural Banks, Central Co-operative Banks working in Madhya Pradesh as on March, 1994 district-wise and bank-wise;

(b) the places where branches of these banks were opened during the last three years;

(c) whether the reserved quota for backwards has been filled in these banks;

(d) if not, the reasons therefor; and

(e) the action being taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY):

(a) The number of branches of public sector banks, commercial banks and regional rural banks functioning in Madhya Pradesh as at the end of March 1994 was 4416. The information regarding number of branches of Central Cooperative Banks working in Madhya Pradesh for the said period is not readily available. The District-wise and bank-wise details of 4416 branches referred to above are also not readily available. As such, the above information is being collected and will be laid on the Table of the House.

(b) The total number of branches opened in Madhya Pradesh by public sector banks, commercial banks and regional rural banks during the year ending March 1992, 1993 and 1994 was 38, 40 and 21 respectively. The similar information in respect of Central Cooperative Banks working in Madhya Pradesh is not readily available. The locational details of branches opened by public sector banks, commercial banks and regional rural banks is also not readily available. As such, the above information is being collected and will be laid on the Table of the House.

(c) to (e). The information is being collected and will be laid on the Table of the House to the extent available.

[English]

Disbursing of Loans

2596. SHRI R. JEEVARATHINAM: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have issued instructions to all banks to disburse loans to the people without any limit;

(b) if so, the rules made in this regard;

(c) whether Member of Parliament have actually been involved in the matter of disbursing of loans to the needy;

(d) whether the banks consult Members of Parliament of concerned State while disbursing loans particularly to big industrialists; and

(e) if so, the details of loans given to industrialist in consultation with Members of Parliament and without consultation with the Member in Tamil Nadu?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (a). Reserve Bank of India (RBI) issues instructions to banks from time to time setting out guidelines for lending to industry in general and no specific guidelines in this regard are issued for each State. Banks are required to assess credit proposals keeping in view these guidelines and take a view on the proposals based on their commercial judgement. RBI guidelines do not envisage banks having to consult the Member of Parliament of the concerned State before taking a decision on the credit proposal of big industrialists. In terms of RBI's guidelines, banks are free to sanction adhoc credit limits to borrowers, where considered necessary, and charging of additional interest for this purpose is no longer mandatory. Further, effective 19th August, 1993 a commercial banks can extend term loan upto Rs. 50 crores for each project subject to compliance with guidelines on its exposure limits. The banks can collectively extend terms loan upto Rs. 200 crores for each project. Considering the need for credit for large projects, and creation of infrastructure facilities, as also keeping in view lendable resources available with banks, the ceiling of Rs. 50 crores has been abolished and the limit of Rs. 200 crores for the banking system has been raised to Rs. 500 crores in October 1994.

Economic Reforms

2597. SHRI BIJOY KRISHNA HANDIQUE: Will the Minister of FINANCE be pleased to state:

(a) whether the Government contemplate to relate the future course of economic reforms to the socially responsible market economy as suggested in a study report by the Economic and Scientific Research Foundation; and

(b) if so, the steps being taken by the Government in this regard and to bring reforms in administration and legal system to support economic reforms?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY):

(a) and (b). The fundamental objective of the ongoing economic reforms in our country is to bring about rapid and sustained improvement in the quality of life of the people and hence the ultimate objective is to maximise the welfare of the people. This is also the main rationale for recommending adoption of a synthesised paradigm termed as the "Socially Responsible Market Economy (SRME)" in a Study Report entitled "Economic Reforms in India and the Market Economy" sponsored jointly by the Economic and Scientific Research Foundation, New Delhi and the Friedrich-Naumann Foundation, New Delhi in Association with the Centre for Policy Research, New Delhi; and published by the Allied Publishers, New Delhi, 1994.

Suggestions made by several organisations and individuals are kept in view by the Government while formulating appropriate economic policies. Several reforms have already been taken by the Government in industrial, trade, financial and public sectors to enhance efficiency and productivity of Indian economy and at the same time