

Monitoring of loans by nationalised Banks

3236. PROF. Y. S. MAHAJAN : Will the Minister of FINANCE be pleased to state :

(a) whether nearly Rs. 4000 crores were locked up in sick units in the country largely because of lack of proper appraisal of credit proposals by banks, absence of their monitoring; lack of follow-up measures etc ; and

(b) if so, the steps taken or proposed to be taken by Government to ensure that the nationalised banks take more active interest in monitoring the loans/advances given to industries and check sickness in industries especially small scale industries ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b). The Reserve Bank of India (RBI) has reported that as at the end of December, 1985 and the total outstanding bank credit against sick industrial units stood at Rs. 4,270.93 crores. Industrial sickness is not largely because of lack of proper appraisal of credit proposals by banks or lack of post disbursement supervision. There are various other reasons like mismanagement/management deficiencies, faulty initial planning, technical drawbacks, labour troubles market recessions, etc. RBI have issued detailed guidelines to banks for the detection of industrial sickness in its incipient stage. RBI have also introduced a uniform Health Code System for classification of various borrowal accounts by banks according to their health/quality.

Scheme to help rural artisans

3237. SHRI V. S. KRISHNA IYER : Will the Minister of FINANCE be pleased to state :

(a) whether there is any scheme in nationalised banks to help rural artisans;

(b) the names of the banks where this scheme is in existence;

(c) number of rural artisans benefited during 1986; and

(d) whether Government propose to set up a separate Cell in nationalised banks exclusively to deal with rural artisans ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) All scheduled commercial banks, Regional Rural Banks and Cooperative Banks entertain proposal of loans to rural artisans.

(c) As per the latest data available from Reserve Bank of India, advances to the artisans, village and cottage industries stood at Rs. 349.70 crores in 10.11 lakh borrowal accounts in December, 1985.

(d) Since the rural branches of the banks are well equipped to sanction credit assistance to rural artisans, it is not considered necessary to set up a separate cell in the nationalised banks exclusively to deal with the rural artisans.

Branch Office of Staff Selection Commission at Hyderabad

3238. SHRI M. RAGHUMA REDDY :
SHRI P. MANIK REDDY :

Will the PRIME MINISTER be pleased to state :

(a) whether the Southern Regional Office of the Staff Selection Commission located in Madras is catering to the recruitment of personnel in Tamilnadu, Kerala, Andhra Pradesh and Karnataka;

(b) whether Government propose to bifurcate it into two and open an office at Hyderabad to cater to the recruitment of Personnel from Andhra Pradesh and Karnataka States while the Madras office continues to cover Tamil Nadu and Kerala; and

(c) if not, the reasons thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS (SHRI BIREN SINGH ENGTI) : (a) Yes, Sir.