

by commercial banks, the criteria is a population coverage of 17,000 per branch in the semi-urban and rural areas of each block. The Policy also envisages filling up of spatial gaps by having a branch within a distance of 10 Kms. from every village. The responsibility of identifying centres on the basis of above norms has been entrusted to a Group consisting of the representative of the Lead Bank of the district, representatives of two other banks having major presence in the district, a representative of the Regional Rural Bank (RRB) in case of districts having RRBs and a representative of the State Government. The centres identified by the Group are to be approved by the District Consultative Committee and the list of approved centres alongwith block maps indicating all relevant details are to be forwarded to the State Government/ Union Territory Administration. The final list of centres as approved by State Government/ Union Territory Administration is required to be forwarded to the Reserve Bank of India (RBI) alongwith block maps for scrutiny of the centres. After scrutiny eligible centres conforming to the norms are allotted by RBI to the various banks.

Government and RBI are of the view that the existing institutional arrangements for allocation of centres are adequate. RBI do not, therefore, propose to have any other institutional arrangements for the present.

In regard to allocation of centres in urban and metropolitan areas individual banks are required to apply directly to RBI for considering issuing of licence which will be on the basis of clearly established need and the business potential of the area. Recommendations of Members of Parliament and other eminent persons in regard to opening of branches are given due consideration by the RBI at the time of the allocation of centres.

Task Force on D.R.I.

8507. PROF. NARAIN CHAND PARASHAR: Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 7127 on 17 May 1985

regarding recommendations of Task Force to study Differential Interest Scheme and state:

(a) whether any decision has been taken on the report of the Task Force on the Differential Rate of Interest;

(b) if so, the exact recommendations made by the Task Force and the decision taken on each one of them; and

(c) the dates on which decisions have been implemented/are likely to be implemented?

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

(b) The major recommendations made by the Task Force on Differential Rate of Interest (DRI) Scheme were as follows:

1. DRI benefit should be restricted to SC/STs beneficiaries. In rural areas only SC/ST under IRDP should be covered and in other areas SC/ST assisted by Development Corporations should be covered.
2. Income criterion should be on par with IRDP.
3. Rate of Interest should be 2% below Bank Rate or the rate of interest on IRDP loans whichever is lower.
4. No change in the maximum loan amount.

(c) Various recommendations of the Task Force were examined by the Government in consultation with the concerned Ministries of the Government of India, RBI and NABARD and the decisions arrived thereto were conveyed to RBI for issuing instructions to the banks. RBI vide its instruction dated 25th September, 1986 advised the commercial banks as follows:

- (i) The DRI Scheme in the present form will continue at the rate of interest of 4% per annum. There will also not be

any change in the target of 1% for the total lending under the Scheme.

- (ii) The benefit of DRI scheme will be available only to borrowers within the prescribed eligibility criteria who are not assisted under any of the subsidy linked schemes of Central/State Government and State owned Corporations.
- (iii) The ceiling of family income of the borrower under DRI Scheme is enhanced from Rs. 2,000/- per annum in rural areas and Rs.3,000/- per annum in urban and semi-urban areas to Rs. 6,400/- and Rs. 7,200/- respectively.

Irregularities in providing Loans to farmers in Bihar

8508. SHRI RAM BHAGAT PASWAN: Will the Minister of FINANCE be pleased to state:

(a) whether any irregularities by the banks in providing loans to the farmers in Bihar have come to Govt.'s notice;

(b) the time schedule for granting loan to an applicant;

(c) the number of applications pending in banks in Samastipur and Darbhanga districts; and

(d) the steps taken to clear the pending applications?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) Complaints are received by the Government from time to time alleging irregularities in providing loans to farmers and others in Bihar. These complaints are arranged to be looked into on merits for necessary corrective action.

(b) to (d). Banks have been advised that applications under the priority sector upto a credit limit of Rs. 25,000 should be disposed of within a fortnight and those for

over Rs. 25,000 within 8 to 9 weeks. Further, for speedy disposal of applications, banks have been advised that all branch managers should be vested with discretionary powers to sanction proposals from weaker sections, which includes small and marginal farmers, without reference to any higher authority and if there are difficulties in extending such discretionary powers to all branch managers, such powers should exist at least at the district level. The present information reporting system of Reserve Bank of India in respect of priority sector advances does not yield districtwise details of pending applications in the manner asked for.

L.I.C. Investment in Union Government Securities

8509. SHRIMATI JAYANTI PATNAIK: Will the Minister of FINANCE be pleased to state:

(a) the total amount invested by Life Insurance Corporation in Union Government Securities in 1986-87;

(b) the amount of term loans advanced by LIC to different companies in public and private sector during that year; and

(c) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) LIC has invested an amount of Rs.606.89 Crores during 1986-87 in the Union Government Securities.

(b) and (c). During 1986-87 LIC has advanced a total amount of Rs. 110.45 Crores as Term Loans to different companies. Details are as under:-

Public Sector	: Rs.	8.79	Crores
Private Sector	: Rs.	92.26	Crores
Co-operative Sectors	: Rs.	9.40	Crores
Total	Rs.	110.45	Crores