

(d) the details of the target of establishing Bank Branches in these States, State-wise during the coming three years?

THE MINISTER OF FINANCE
(SHRI H. M. PATEL): (a) to (c). The information to the extent available is being collected and will be laid on the Table of the House.

(d) The Reserve Bank of India have reoriented their branch licensing policy, to ensure that the branch expansion efforts of the banks during the next three years are devoted to the task of improving banking coverage in the districts having population per bank office in excess of the national average through the opening of branches at unbanked rural and semi-urban centres. The Reserve Bank propose to examine the branch banking needs of the deficit districts on a district by district basis and draw up a three-year plan in consultation with the banks and the State Governments concerned.

Socio-Economic problem of North Eastern Region States

1933. SHRI SACHINDRALAL SINGHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India has appointed a committee to sort out the peculiar socio-economic problem of North Eastern Region States in September, 1976,

(b) if so, the details of the Committee and meetings of the Committee held, date-wise;

(c) whether the report of the said Committee has been submitted;

(d) if so, the details of the report; and

(e) action taken up-to-date?

THE MINISTER OF FINANCE
(SHRI H. M. PATEL): (a) Yes, Sir.

The Reserve Bank of India set up a Working Group to examine the factors impeding the flow of bank credit in the North-Eastern Region and make recommendations for necessary changes in the procedures and practices so as to bring about rapid and all-round banking development in that region.

(b) The Working Group comprised a representative each of the Reserve Bank of India, Agricultural Refinance and Development Corporation and all the three Lead Banks in the Region, namely, State Bank of India, United Commercial Bank and the United Bank of India. The Group also co-opted one representative from each of the five States and the two Union Territories. The Working Group held 8 meetings—on 23rd August, 22nd September, 13th & 14th October, 1st, 11th, 17th and 23rd December, 1976.

(c) Yes, Sir. The Working Group submitted its Report in February, 1977.

(d) and (e). The main recommendations and the action taken thereon are given in the Statement attached.

Statement

Recommendations of the Working Group set up by the Reserve Bank of India to study the problems of bank credit in the North-Eastern Region and action taken thereon.

Recommendation No. 1:

In view of the differing conditions in States/Union Territories in the Region and in deference to the views of the respective State Governments, the commercial banks may use different agencies/intermediaries and/or lend directly so as to reach the remote places and to disburse credit in the region.

Action taken:

The scheme of commercial banks financing through primary societies

has been introduced in Assam and Tripura. While in Assam, 334 societies are going to be ceded to commercial banks and 55 to Regional Rural Banks, in Tripura the reorganisation of the societies is under active consideration of the Government. The matter is being pursued with other States and Union Territories in the region. In Arunachal Pradesh, the Government are taking active steps for forming LAMPS.

Recommendation No. 2:

Banks to review their policy of delegation of powers to branch managers to bring about uniformity in the discretionary powers of branch managers of different banks in the same centre in respect of loans of weaker sections.

Action taken:

The question of adequate delegation of powers to the branch managers has been examined by the Reserve Bank with the respective banks. The Reserve Bank have ensured that the branch managers have adequate discretionary powers to look after the needs of small borrowers who constitute the weaker sections of the community.

Recommendation No. 3:

Notification of additional centres for the purpose of equitable mortgage.

Action taken:

The Governments of the States and the Union Territories in the Region have been requested to create additional centres to facilitate creation of equitable mortgage. Assam Government has already notified 23 additional centres.

Recommendation No. 4.

Nomination of Government officials as focal points for contact by banks.

Action taken:

Governments of all the States and the Union Territories in the Region

have designated officials who would serve as focal points of contact for coordination.

Recommendation No. 5:

Need for preparing a long-term plan for branch expansion by banks in the region.

Action taken:

As at the end of June 1978, the banks had opened 610 branches in the North-Eastern Region. With the objective of providing at least minimum banking facilities in large unbanked areas, the commercial banks are endeavouring to open at least one bank branch in each of the unbanked community development blocks in the Region. Of the 269 community development blocks, banks have so far covered 234 blocks. In regard to the remaining blocks also, which constitute more difficult areas, the matter is being pursued with the banks and the State Governments concerned.

For the year 1978, the Reserve Bank had allotted 41 centres for branch opening in deficit districts of this Region. In accordance with the new branch expansion policy, the Reserve Bank of India are drawing up a district-wise branch expansion plan for each of the deficit districts, in consultation with the concerned State Governments and the banks.

Recommendation No. 6.

CGCI cover may be extended to bank lending through RRBs, cooperatives and similar agencies in this region and the proportion of the risk borne by the CGCI also be raised in respect of the advances in the region.

Action taken:

The CGCI has since agreed to extend cover to bank lending through RRBs. As regard extension of cover to lending through cooperatives and similar agencies, the corporation has

not taken a final decision so far as the matter requires an in-depth study.

Recommendation No. 7.

Lead banks in the region to set up a Joint Training Centre for training of new recruits as well as employees of banks in the uniform banking practices and procedures.

Action taken:

The three lead banks have since agreed to set up a Joint Training Centre. Two integrated courses of short duration were held during September, 1978 in which officers of banks and State Governments participated. A programme on agricultural finance was also held from 15th November to 25th November, 1978.

Recommendation No. 8.

Central Government to modify the pre-conditions for the establishment of Regional Rural Banks so that they can be set up in each of the States and Union Territories.

Action taken:

Government has since decided to set up more Regional Rural Banks and the establishment of Regional Rural Banks in each of the States/ Union Territories is being considered by the Steering Committee set up by the Reserve Bank of India as part of the follow up of the Dantwala Committee's recommendations.

Recommendation No. 9:

Formation of Local Committees for each State and Union Territory to discuss and review the progress made in implementation of the various recommendations of the Group.

Action taken:

All the Governments, excepting the Government of Mizoram, have nominated their representatives on the local committees. The matter is being pursued with the Government of Mizoram also.

General:

The Working Group had also made some recommendations relating to changes in the operational methods and lending practices of banks, manpower planning, guidance to borrowers and coordination between the banks and the Government agencies. The action taken by the banks and the State Government authorities on these recommendations is being reviewed by the Reserve Bank of India from time to time.

Employment Potentialities in Banking Sector in North Eastern Region States

1934. SHRI SACHINDRALAL SINGHA:

SHRI SAKTI KUMAR SARKAR:

Will the Minister of FINANCE be pleased to state:

(a) whether any study has been made regarding the employment potentialities in Banking sector in North Eastern Region States and West Bengal;

(b) if so, the details thereof; and

(c) the number of persons employed in these States, State-wise, Bank branch-wise during the last three years, year-wise?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) to (c). Information to the extent possible is being collected and will be laid on the Table of the House.

घाटे की क्षमताबन्धा

1935. श्री रामानन्द तिवारी : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि घाटे की क्षमताबन्धा की वृद्धि भारत की विकासशील क्षेत्रों के लिए हाथिकारक है क्योंकि इसके मूल्य वृद्धि होती है; और

(ख) वर्ष 1976-77, 1977-78 तथा 1978-79 (वित्तवर्ष तक) के वर्षों में घाटे की राशि की सीमा क्या है?