

Total Capital with Centre and States

5433. SHRI R. L. KUREEL: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) what was the total capital in hand with the Centre and States in 1947 when Britishers left India and how much has been added in subsequent years by way of;

(1) Income-tax, Central Excise and other sources of Revenue to the Central Government;

(2) Sales Tax, Actro, State Excise, Land Revenue and other source of revenue with respective States;

(b) investment in the banks, L.I.C. Post offices which could be partly be used and have been utilised by the Central and State Governments towards State programmes;

(c) loans taken from foreign countries including U.N.O.; and

(d) over-drafting?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATISH AGARWAL): (a) Presumably, the Hon'ble Member is seeking information on total investment of the Central and State Governments in the form of capital outlay and loans advanced since independence. However, data available on these are only from 1950-51 in respect of State Governments. Taken together these amounted to Rs. 1,975 crores as on 31st March, 1951 and are estimated to have increased to Rs. 59,580 crores as on 31st March, 1979, thus registering an increase of Rs. 55,585 crores. The tax revenues of the Central and State Governments taken together, amounted to about Rs. 120,600 crores between 1950-51 and 1978-79.

(b) A Statement is laid on the Table of the House.

(c) The outstanding foreign debt (including suppliers' credit) payable

by India was Rs. 12,529 crores as on 31st December, 1978 at current rates of exchange.

(d) Under the regulated system of the State Governments' overdrafts with the Reserve Bank of India which came into effect from October, 1978, no State Government's account can be overdrawn for more than seven working days, as otherwise the Reserve Bank of India automatically suspends payments which will not be resumed until after the overdraft has been cleared.

Statement

I. Investment in Central and State Government Securities: (Rs. crores.)	
(a) By Commercial banks as on 31-3-1977	3,958
(b) By Life Insurance Corporation of India as on 31-3-1977	1,450
II. Outstandings of Small Savings Schemes as on 31-3/977	4,358

Revision of Operational Norms of Land Developed Bank

5434. SHRI A. R. BADRI NARAYAN: Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether R.B.I. and Agricultural Refinance and Development Corporation have revised Operational norms to encourage Land Developments Banks to achieve higher levels of investment for the benefit of small and marginal farmers for the first time;

(b) if so, the main details of the proposed scheme;

(c) to what way and extent this has helped the small and marginal farmers; and

(d) whether the Land Development Bank organisation will be able to meet fully the investment credit needs of small and marginal farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) and (b). Norms for regulation of advances were first revised by the Reserve Bank of India in July 1975 when the eligibility of Land Development Banks for lending was linked to the recovery performance and to loan disbursements made during the previous year. These norms have been recently revised in January, 1979.

Eligibility of the primary Land Development Banks/Branches of State Land Development Banks has been linked with the overdues position as at the end of last Cooperative Year or average of the last three years overdues, whichever is less and the loans disbursed during the previous year or average of the loans disbursed in the preceding three years, whichever is higher. The present norms are as follows:—

Range of overdues at the primary/Branch Level.	Eligible loaning programme as % of loans issued.
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0-25	Unrestricted.
26-30	100
31-35	90
36-40	80
41-45	75
46-50	70
51-55	65
Above 55	Nil.

(c) and (d). Small and marginal farmers in the special programmes areas like SFDA, DPAP, CAD etc. would be eligible for full finance under the revised norms. In the non-programme areas, the Land Development Banks have been advised to ensure that at least 50 per cent of the fresh loans eligibility admissible is utilised for financing small farmers.

According to available data, 728 primary Land Development Banks/Branches are eligible to have unrestricted lending based on the new norms as compared to only 533 as per old criteria. Another 468 PLDBs/Branches will be eligible for larger programmes ranging between 100 to 65 per cent depending upon their recovery performance. Thus, revision in the norms will help the small and marginal farmers to a considerable extent.

Further increase in Bank Credit for Food Procurement Operation

5435. SHRI NIHAR LASKAR:

SHRI P. M. SAYEED:

Will the DEPUTY PRIME MINISTER AND MINISTER OF FINANCE be pleased to state:

(a) whether the Banking Department does not favour any further increase in bank credit for food procurement operations;

(b) if so, whether they have suggested that credit needs of the Food Corporation should be met through budgetary provisions;

(c) whether the R.B.I. had suggested that there should be comprehensive review of the entire food, credit policy and Government should consider a shift in the total credit burden from the banks to the public exchequer; and

(d) if so, the reaction of Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ZULFIQUARULLAH): (a) to (c). The sectoral pattern of deployment of bank funds is reviewed by the Government/Reserve Bank of India from time to time with a view to bringing about modifications in the credit structure in the light of the overall economic situation. The Reserve