

Advancing of loans by nationalised banks to priority sector in West Bengal

624. SHRI SUDHIR GIRI: Will the Minister of FINANCE be pleased to state:

(a) whether the target set by the nationalised banks to lend 33 per cent of their total advance to the priority sector has been raised to 40 per cent;

(b) if so, details of the bank branches in West Bengal implemented this target in the State, district-wise and bank branch-wise, up-to-date;

(c) whether any study made up-to-date in this respect; and

(d) if so, the details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) and (b). The public sector banks have been advised to raise the share of priority sector advances in their aggregate credit to the level of 40 per cent by 1985. This being an aggregative all-India target, no district-wise/branch-wise targets have been indicated to the banks.

(c) and (d). While no branch-wise/district-wise study of priority sector lending in West Bengal has been undertaken, the aggregate level of priority sector lending in the State indicates the need for the banks to take concerted action for enlarging the flow of credit to these sectors in the State. Accordingly, the banks have been asked to devote special attention and effort to meeting the credit requirements of small borrowers in the priority sectors, particularly of the beneficiaries of the 20-Point Programme. A Standing Working Group under the convenorship of the Reserve Bank of India and having representatives of the State Bank of India, the 3 lead banks in West Bengal and of the State Government, has been set up to oversee the measures being taken by the banks to attain this objective.

Long-term iron ore export deal with Pakistan

625. SHRI CHANDRABHAN ATHARE PATIL: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that a three-member Pakistan delegation visited India in May, 1980 to conclude a long-term iron ore import deal with India; and

(b) has any agreement in this behalf been signed, and if so, the broad outlines thereof?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) A long-term agreement with Pakistan Steel Mills Corporation was concluded on 21st May, 1980 for supply of 1.93 million tonnes of iron ore over a period of 7 years starting from September 1980 upto March, 1987.

Upgradation of Kharagpur city in West Bengal

626. SHRI BASUDEB ACHARYA: Will the Minister of FINANCE be pleased to state reasons for the delay to declare Kharagpur in West Bengal as a B-2 city?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): The population of a city should exceed 4 lakhs according to the 1971 census for its classification as B-2 city for the purpose of grant of House Rent Allowance (HRA) and Compensatory (City) Allowance (CCA) to Central Government employees posted therein. As the population of Kharagpur was only 61,783 according to the 1971 census, it is not eligible for classification as a B-2 city.

The Third Pay Commission had recommended that cases of towns which do not qualify for the grant of CCA according to the population criterion but are abnormally expensive

for certain reasons, may be considered on merits for the grant of C.C.A. The case of Kharagpur was also considered in accordance with this recommendation but it did not qualify for the grant of CCA according to the norms adopted in consultation with the Staff Side in the National Council (Joint Consultative Machinery).

Lead Banks in Districts of West Bengal

627. SHRI SATYA GOPAL MISRA: Will the Minister of FINANCE be pleased to state:

(a) names of the lead banks in districts of West Bengal, district-wise;

(b) details of the industrial, economical and social surveys made by these lead banks up-to-date; district-wise; and

(c) steps so far taken by these lead banks in these districts; district-wise, on the basis of the surveys made by these lead banks?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) The names of the Lead Banks and Districts allotted to each bank in West Bengal are as under:

<i>Name of the Lead Bank</i>	<i>Name of Districts allotted</i>
Central Bank of India	1. Cooch Behar 2. Darjeeling 3. Jalpaiguri
United Commercial Bank	1. Birbhum 2. Burdwan 3. Howrah 4. Hooghly
United Bank of India	1. Bankura 2. Malda 3. Midnapore 4. Murshidabad 5. Nadia 6. Purulia 7. 24-Parganas (North) 8. 24-Parganas (South) and 9. West Dinajpur.

(b) and (c). Although the lead banks have not carried out any special industrial, economic and social surveys of their lead districts, in the course of preparing District Credit Plans for the period 1980—82, they have assessed the potential for increased credit assistance to various sectors within the overall economic, industrial and social environment of their lead districts. In pursuance of the guidelines of the Reserve Bank of India, action plans for 1980 have been prepared and taken up for implementation in all the 16 districts of West Bengal. These plans give a broad indication of the proposed lending programme of the banks under different schemes in the sectors of agriculture, activities allied to agriculture, small scale industries and in the tertiary sectors. These action plans have been allocated in each district among the different participating institutions for implementation.

Decline in Profitability of Banks

628. SHRI MANPHOL SINGH CHAUDHARY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the profitability of the banks in India is steadily declining;

(b) if so, the reasons therefor; and

(c) the steps proposed to be taken to remedy the situation?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBAI BAROT): (a) While the profits of the 22 public sector banks including State Bank of India and its subsidiaries have increased from Rs. 30.71 crores in 1975 to Rs. 58.55 crores in 1978, profits as a percentage of total working funds have shown a slight decline.

(b) The slight decline in the profitability of the banks can be attributed to larger credit being given to the priority sector, undertaking by