

Regional Rural Banks

1462. SHRI BALGOPAL MISHRA:
Will the Minister of FINANCE be pleased to state:

(a) the total number of regional rural banks in the country;

(b) the total deposits in the aforesaid banks as on June 30, 1990; and

(c) which regional rural bank in Orissa has incurred the highest loss during the last three years?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) There are 196 Regional Rural Banks (RRBs) in the country at present.

(b) The National Bank for Agriculture and Rural Development has reported that the total deposits mobilised by all the Regional Rural Banks as on 30-09-89 (latest data available) amounted to Rs. 3467.99 crores.

(c) While Puri Gramin Bank incurred highest losses during the years 1986 and 1987, Bolangir Anchalik Gramin Bank incurred highest loss during 1988-89 (15 months period) in Orissa.

Working Capital Assistance to Small Scale Sector

1463. SHRI BANWARILAL PU-ROHIT:

DR. LAXMINARAYAN PANDEYA:

SHRI PHOOL CHAND VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has recently issued instructions to all banks to deal with the proposal for working capital assistance to the small scale sector within a time-frame;

(b) if so, the details of the instructions issued by the RBI in this regard;

(c) the extent to which small scale units in the country would be benefited as a result thereof; and

(d) the other measures Government have taken to encourage small scale units?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (d) RBI has reported that guidelines have been issued to commercial banks laying down, inter-alia, that direct loan applications under the priority sector including SSI 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. These guidelines are aimed at enforcing a strict time discipline in dealing with all priority sector credit proposals including those received from the SSI sector. The guidelines also envisage issue of acknowledgement with date of receipt of applications and evolving and effective system for monitoring the timely disposal of cases.

A major step in this direction is the setting up of Small Industries Development Bank of India (SIDBI), as the principal financial institution for the promotion, financing and development of industry in the small scale sector. It has become operational with effect from 2-4-90. SIDBI has already liberalised Single Window Scheme by raising the limit on project cost and working capital eligible under the scheme from Rs. 5 lakhs and Rs. 2.5 lakhs to Rs. 10 lakhs and Rs. 5 lakhs respectively.

National Equity Fund Scheme, which was hitherto operated by public sector banks and certain designated institutions only, has since been extended to all State Financial Corporations, private sector banks and selected urban co-operative banks as well. Besides, the scope of the scheme has been enlarged to cover the service activities in addition to manufacturing activities.

The steps outlined above are intended to facilitate the flow of timely

credit to the units in the small scale sector. [English]

[Translation]

Increasing Money Supply

1464. SHRI MANJAY LAL:
SHRI PHOOL CHAND
VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether money supply is continuously increasing in the country for the last few years;

(b) if so, the percentage increase therein during 1987-88, 1988-89 and 1989-90;

(c) whether there has been more increase in the money supply during June, 1990;

(d) if so, the details thereof; and

(e) the concrete steps taken by Government to restrict supply of money during the current year?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) and (b) The rates of growth in money supply (M3) in the last three years were as indicated below:

| | | |
|---------|-------|----------------|
| 1987-88 | . . . | +15.9 per cent |
| 1988-89 | . . . | -17.7 per cent |
| 1989-90 | . . . | -19.1 per cent |

(c) to (e) Money supply (M3) recorded a smaller increase of Rs. 175 crores during June (i.e. between June 1 and 29) 1990 than that of Rs. 1045 crores during the month of May (i.e. between May 4 and June 1) 1990. The stance of the monetary policy is to moderate the rate of growth in money supply in the current financial year to well below the rate recorded in the last financial year through both general and selective credit control measures.

Newsprint

1465. SHRI NARSINGRAO SURYAWANSHI: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether Government propose to allow Newspapers to buy Newsprint from a source of their own choice; and

(b) if so, when?

THE MINISTER OF INFORMATION & BROADCASTING AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI P. UPENDRA):

(a) Newsprint is obtained by newspapers from State Trading Corporation and/or indigenous mills on authorisations issued by the Registrar of Newspapers for India, as per the Newsprint Allocation Policy. There is no proposal to change this policy at present.

(b) Does not arise.

[Translation]

Use of Grants and Loans by Industrial Houses

1466. SHRI HUKUMDEO NARAYAN YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether industrial houses properly utilise the grants and loans;

(b) whether instances of utilisation of the said amount for some other purposes have come to the notice of Government during the last two years and upto July, 1990, if so, the details thereof;

(c) whether Government propose to constitute high level commission to enquire into this; and

(d) if so, by when and if not, the reasons therefor?