

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHMA DUTT): (a) to (d). An Irrigation Project in Punjab has been tentatively identified for possible World Bank assistance. However, Project components have not yet been firmed up. In this connection a team from the World Bank had recently visited some areas of Punjab.

[English]

**Disbursement of Loans by Indian Overseas Bank under DRI Scheme**

934. SHRI BANWARI LAL BAIRWA: Will the Minister of FINANCE be pleased to state:

(a) the amount disbursed by Indian Overseas Bank under Differential Rate of Interest Scheme during the years 1984, 1985 and 1986 and the number of beneficiaries;

(b) whether there had been considerable decline in the amount disbursed and in the number of beneficiaries during 1985;

(c) if so, the reasons therefor; and

(d) the steps taken by Government to monitor the functioning of the Scheme?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d). Indian Overseas Bank has reported that the disbursement made by it under Differential Rate of Interest (DRI) Scheme during the years 1984, 1985 and 1986 have been as follows:

Year ending	No. of borrowal accounts (In lakhs)	Amount (Rs. in crores)
1984	0.54	10.19
1985	0.43	7.61
1986	0.46	8.12

Although there was a decline in the amount disbursed as well as the number of beneficiaries assisted during 1985 as compared to 1984, the outstanding advances under DRI as at the end of December, 1985 were still 1.19% of total outstanding credit as at the end of the previous year. Thus the bank fulfilled the target of 1% stipulated under DRI Scheme. The performance of banks in providing loans under DRI is kept under continuous review by the Government as well as by Reserve Bank of India.

**Losses Incurred by Regional Rural Banks**

\* 935. SHRI RADHAKANTA DIGAL:  
SHRI YASHWANTRAO GADAKH  
PATIL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Regional Rural Banks throughout the country are incurring mounting losses;

(b) if so, the accumulated losses as on 31st March, 1987 and the reasons therefor; and

(c) the steps taken to improve the performance of the regional rural banks and to reduce losses?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). The accumulated losses of 148 Regional Rural Banks out of 188 such banks in position as at end-December, 1985 amounted to Rs. 61.36 crores. Some of the important factors responsible for losses in most of the Regional Rural Banks are extensive branch expansion in interior rural areas in recent past, low business per branch and increase in establishment costs.

(c) The Government had set up a Working Group on Regional Rural Banks and in pursuance of its recommendations, have taken a number of decisions for improving the viability of the Regional Rural Banks.