

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.

Important among these are indicated below:

- (i) sanctioning of additional share capital to identified Regional Rural Banks with satisfactory track record in a phased manner;
- (ii) lowering of interest on refinance provided by sponsoring banks to Regional Rural Banks;
- (iii) investment of funds for SLR requirements in securities of better yield;
- (iv) enlargement of the scope of lending by RRBs;
- (v) a more active role by sponsoring banks in fund management, staff training and internal audit; and
- (vi) close monitoring to improve productivity.

Indigenous Components Industry

*936. SHRI K. V. SHANKARA GOWDA:
SHRI G. S. BASAVARAJU:

Will the PRIME MINISTER be pleased to state:

(a) whether Government are aware of the lack of orders for indigenous components industry in the new digital telephone exchange;

(b) the target of electronics output in the Seventh Plan;

(c) whether a set back to indigenous production in components industry due to lack of orders would seriously affect the electronic plan; and

(d) if so, the steps being taken or proposed by Government to remedy the situation to help achieve the Seventh Plan target?

THE MINISTER OF STATE IN THE

MINISTRY OF SCIENCE AND TECHNOLOGY AND MINISTER OF STATE IN THE DEPARTMENTS OF OCEAN DEVELOPMENT, ATOMIC ENERGY, ELECTRONICS AND SPACE. (SHRI K.R. NARAYANAN): (a) The production of E-10 B digital electronic exchange at the ITI unit in Mankapur, UP commenced in 1985-86. Majority of the components like PCBs, Hybrid circuits connectors, relays, etc. required by the unit will be produced by them in-house. There is, thus, limited scope for procurement of these components from outside sources. A Monitoring Committee on indigenisation of electronic components for the E-10 B exchange has been set up continuously monitor and accelerate their pace of indigenisation. The Committee will monitor both in-house manufactured components as well those to be obtained from outside sources. Evaluation of the latter has already commenced.

(b) The production target for electronics output in the terminal year of the Seventh Five Year Plan is Rs. 10,860 crores.

(c) No, Sir. The production and indigenisation programme of the electronics industry is proceeding satisfactorily and components production is not likely to be a bottleneck for the achievement of the Seventh Five Year Plan target.

(d) Does not arise.

Financing by Shipping Development and Committee

* 937. SHRI R.S. MANE: Will the MINISTER OF FINANCE be pleased to state:

(a) the amount lost due to bad assessment and easy financing by Shipping Development Fund Committee; and

(b) whether Government have started looking into or propose to look into various actions of Shipping Development Fund