

LOK SABHA DEBATES

1

LOK SABHA

Friday, May 13, 1988/Vaisakha 23,
1910 (Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

OBITUARY REFERENCES

[English]

MR. SPEAKER : Hon. Members, it is my sad duty to inform the House of the demise of two of our former colleagues, namely, Sarvashri Jai Singh and Ram Sahai. The information regarding demise of Shri Singh was received late.

Shri Jai Singh was a member of the Fourth Lok Sabha representing Hoshiarpur constituency of Punjab during 1969-70.

A product of the Royal Military College Sandhurst, U.K., he served the Indian Army with distinction. A widely travelled person, he was a keen student of Vedant philosophy.

Shri Singh passed away in the Army Hospital at New Delhi on 6th March, 1988 at the age of 78 years.

Shri Ram Sahai was a member of the Constituent Assembly of India during 1947-50 from Madhya Pradesh. Later, he was elected to Rajya Sabha in 1956, re-elected in 1962 and again in April, 1968.

A prominent social worker, he served the people of his State with devotion and was associated in various capacities with several social, political and educational institutions and organizations. He worked untiringly for the spread of education in the remote backward areas of his State.

2

A veteran freedom fighter, he gave up his law practice in 1942 and took active part in the Quit India Movement and was imprisoned also.

An able parliamentarian, he served on the Credentials Committee and the Drafting Committee for drafting Model Constitution for the States and Union. He served on the Public Accounts Committee of Parliament in 1964. He also held the office of Speaker of the erstwhile Madhya Bharat Legislative Assembly during 1948-52. A widely travelled person, he was a delegate to the Commonwealth Parliamentary Conference in Australia.

Shri Ram Sahai passed away at Vidisha on 8th May, 1988, at the age of 93 years.

We deeply mourn the loss of these friends and I am sure the House will join me in conveying our condolences to the bereaved families.

Now, the House may stand in silence for a short while as a mark of respect to the departed souls.

*The Members then stood in silence
for a short while.*

ORAL ANSWERS TO QUESTIONS

Deposits of Nationalised Banks

[English]

*1083. SHRI MULLAPPALLY RAMACHANDRAN : Will the Minister of FINANCE be pleased to state :

(a) the growth rate of deposits registered in the banking industry during 1987 ;

(b) whether the nationalised banks have entered into new fields of activities ; if so, the details thereof ; and

(c) the ratio between the number of branches of the nationalised banks and the population of the country ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). A Statement is given below.

Statement

(a) According to the information furnished by Reserve Bank of India (RBI), the aggregate deposits of all scheduled commercial banks registered a growth rate of 15.6 per cent during the year 1987.

(b) Some of the public sector banks are also now undertaking new activities such as portfolio management, equipment leasing and setting up of mutual funds.

(c) On the basis of population figures of last census and taking into consideration, the bank offices of only public sector banks, the average population per bank office works out to eighteen thousand as at the end of 1987.

SHRI MULLAPPALLY RAMACHANDRAN : Sir, the banks play a vital role in the day-to-day life of the citizens. Modernisation in the banking sector is reflected in the new fields in which the nationalised banks have entered. However, in spite of all the development in the banking sector, the customer services still require much improvement. In this connection, may I know from the Hon. Minister what positive steps are being taken by the Government to ensure that the benefits of the modernisation in the banking sector reach to the common man through more efficient customer service ?

SHRI EDUARDO FALEIRO : Sir, the supplementary does not directly arise from this question. But I appreciate Member's interest in knowing about the improvement in the customer services. It is a matter of great interest to us. The banks are after all commercial organisations and commercial organisations are there to serve the customers. As the saying goes, the customer is always right as far as the commercial organisations are concerned. Different steps have been taken to improve customer services. They have been discussed in this House. One of them is computerisation by which the customer will get quicker and faster service. For

instance the cheques. Out station cheques must be cleared within a particular period of time. Cheques generally must be cleared within a particular period of time. If they are not cleared then the bank has to pay interest for the delay. And like this, other steps are being taken. The improvement in the customer services is a continuous process and we are aware of the importance of improving customer services. Customer service has improved. Our customer service is comparatively quite good but there is scope for further improvement and we are taking up this matter.

SHRI MULLAPPALLY RAMACHANDRAN : We are all happy to know that there is rise in the rate of bank deposits. All the same it is sad to note that the nationalised banks are vying with each other and concentrating only on deposit mobilisation without paying any heed to recovery aspect of the loans, they had advances mainly to the industrial houses and industrialists who have political backing and influence. I would like to know whether the Government has any scheme to monitor and regulate this indiscriminate writing off loans to the tune of crores by the nationalised banks every year ?

SHRI EDUARDO FALEIRO : There is no question of writing off loans as a matter of principle and we definitely are also concerned about the need to improve the recovery and we are taking steps in this direction.

SHRI MULLAPPALLY RAMACHANDRAN : Umpteen number of cases are there where crores of rupees were written off by the banks. Will you please look into the case and take action against the erring officers ?

SHRI EDUARDO FALEIRO : I will surely take action.

SHRI BASUDEB ACHARIA : At present there is wide disparity in a number of banks per population. Sir, in Punjab there is a branch for the population of 8000; in Kerala and Karnataka, for the population of 9000; in Gujarat for 11,000 and in West Bengal there is a branch for a popu-

lation of about 16,000 whereas national average is 14,000. There is also disparity in credit deposit ratio in different States. So, in order to wipe out this disparity what steps Government propose to take ?

SHRI EDUARDO FALEIRO : Sir, it is true that in some States, some regions of the country, the concentration of bank's branches is higher than in other regions. For instance in Punjab it is so. It is so in Kerala. This is partly due to the fact that the number of depositors and the deposits are higher there. For instance in Kerala we have a large number of emigrants from the Gulf who send money and they contribute to the higher number of branches. However, it is true that we must increase and stabilise the proportion or the ratio of population for the branches. Not only the population, we must also stabilise the area covered by these branches. We have a definite policy in this regard and we are taking steps in this regard. For the information of the House, I would say what the policy is as far as stabilisation of bank branches in the context of population served by a branch and in the context of area served by the branch are concerned. According to the current branch licensing policy for 1985-90, branch expansion is already considered by the Reserve Bank on the basis of clearly established needs, special gaps in the availability of bank facilities and financial viability of the proposed banks. The proposal envisaged establishment of a bank office for a population of 17,000 in the rural and semi-urban areas of each block and location of at least one branch office within a distance of 10 KM. As far as population is concerned, the norms are relaxed in hilly areas because the population there is scattered and therefore the distance concept is adhered to. So, we are aware of this problem. We are aware of the need to increase the number of branches particularly in the North Eastern States and also perhaps in West Bengal. I say about the North Eastern States because I have visited these States. But here also, it is necessary that the State Governments should help us. For instance, they can help us in getting some infrastructure like some premises for the office and some premises for the residence of the branch manager because they must stay in the

rural areas. There is no point in the branch manager staying in the city and commuting to the rural area's branch. Therefore, the State Government can help us in getting some accommodation. Obviously, the banks will pay rent.

Some branches have already been allotted to West Bengal. We have to establish and instal them.

SHRI BASUDEB ACHARIA : How many ?

SHRI EDUARDO FALEIRO : I do not have the figures off-hand. I can say that branches are there and we can even reallocate them in terms of the State Government's priorities. But the State Governments should help us in getting infrastructural facilities so that we can proceed with the sense of urgency that the matter deserves.

MR SPEAKER : The more the prosperity, the more the banks. That is what he says.

[Translation]

SHRI RAMESHWAR NEEKHRA (Hoshangabad) : Though the banks sanction loans for self-employment scheme and other schemes under the IRDP, but to get them is a very tedious job for the people. They have to run from pillar to post. Does the Government propose to formulate a system which could enable the people to get the loan without any difficulty and delay under IRDP scheme once the district field officer and district advisory committee have given their approval ?

[English]

SHRI EDUARDO FALEIRO : Sir, IRDP is managed through the State Governments. The disbursement is made by the Banks. In order to solve the problems which are genuine and mentioned by the hon. member, we have already taken two steps. Firstly, disbursement of and scrutiny must be done by the branch after the receipt of the application or recommendation of the DRDA within 14 days. Secondly, these loans must be disbursed only on a particular day of the week, so that people know beforehand that they can

go on that day and take the loans and they do not have to go again and again. These are some of the steps that we have taken.

[Translation]

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : I would like to add to what my junior colleague has already said. So far as self-employment is concerned, the State Bank has been directed to take effective measures in this regard and create a single window system to avoid any inconvenience to people. The banks should formulate a policy under which they need not re-evaluate the project which has already been evaluated by a particular committee.

[English]

PROF. N.G. RANGA : Mr. Speaker Sir, I have received many complaints from some of our members and also from different parts of the country about the corruption that is prevailing, especially after the self-employment scheme has been inaugurated without asking for any security at all. In order to get a share, bankers connive with those people and they go on distributing as if it is a matter of charity. What steps are being taken in order to see that this kind of a thing does not happen? I learn that bank principles are being given up. They were doing very good work. Why is it that it is given up?

SHRI NARAYAN DATT TIWARI : I take full note of what the veteran member has just now said. We have also heard some complaints in some bank branches. We have asked the Reserve Bank and the Bank chairmen also about this. When I addressed the meeting of the Chairmen of the Commercial Banks and Nationalised Banks, I did mention this to them, I will further take this up with them when I meet them next in the near future.

Social Security Schemes for Weaker Sections

+

*1085. SHRI SRIHARI RAO :

SHRI M. RAGHUMA REDDY:

Will the Minister of FINANCE be pleased to state :

(a) whether Government have finalised the details of the Social Security Schemes for weaker sections of the society as announced recently in the Budget Speech ;

(b) if so, what are the details ; and

(c) when the schemes will be introduced ?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO) : (a) to (c). A Statement is given below:

Statement

(a) to (c). As announced in the Budget Speech for the year 1988-89 a Hut Insurance Scheme for rural areas has been introduced w.e.f. 1st May, 1988 so as to provide fire insurance protection to families in rural areas whose total annual family income from all sources does not exceed Rs. 4,800/-. In the event of loss due to fire under this Scheme, the General Insurance Company will pay to the insured a sum not exceeding Rs. 1,000/- for hut and a sum not exceeding Rs. 500/- for belongings in the hut destroyed by fire. The Scheme is operated by the General Insurance Corporation of India and its four subsidiary companies. The entire premium under the Scheme will be borne by the Government of India.

2. As announced in the Budget Speech, the Life Insurance Corporation of India has set up a Social Security Fund to be used for financing Life Insurance Schemes for weaker and vulnerable sections of the population at subsidised rates. The Life Insurance Corporation of India has also prepared Group Insurance Schemes for Handloom Weavers, Rickshaw Pullers/Auto-Rickshaw Drivers, which will be subsidised from the above Fund and communicated the details to all the State Governments/Union Territories for further action. 50% of the premium for these Group Insurance Schemes will be met from the Social Security Fund and the balance 50% of the premium will have to be paid by the beneficiaries concerned.

3. With effect from 1st April, 1988 a Group Insurance Scheme for IRDP