

**Bank Loan to Agriculture Sector in Orissa**

\*573. SHRI LAKSHMAN MALLICK : Will the Minister of FINANCE be pleased to state :

(a) the advances made by the public sector banks to the agriculture sector in the country during last three years State-wise ;

(b) whether Government propose to direct the public sector banks in Orissa to enhance advances to the agriculture sector in view of the backwardness of that State ; and

(c) if so, the amount of loan proposed to be extended to the agriculture sector in Orissa during 1987-88 ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) State-wise information on outstanding agricultural advances of public sector banks as at the end of December 1983, December 1984 and December 1985 is set out in the statement given below.

(b) and (c). Each public sector bank has been asked to ensure that the share of direct agricultural advances in its total advances should not be less than sixteen per cent for the country as a whole. This target is not broken up state-wise. However, in the State of Orissa. The percentage share of direct agricultural advances of public sector banks considerably more than the corresponding All India figures.

**Statement***State-wise outstanding Agricultural Advances by Public Sector Banks during the Last Three Years*

Sl. No.	States	As at the end of December		
		1983	1984	1985
1	2	3	4	5
1.	Andhra Pradesh	807.45	992.29	1183.13
2.	Arunachal Pradesh	0.37	0.45	5.53
3.	Assam	28.57	42.24	63.15
4.	Bihar	590.86	345.95	401.28
5.	Gujarat	339.90	406.38	471.60
6.	Haryana	254.65	299.39	350.25
7.	Himachal Pradesh	32.32	35.12	41.40
8.	Jammu & Kashmir	13.74	19.36	22.18
9.	Karnataka	465.56	611.32	770.54
10.	Kerala	242.50	299.45	355.83
11.	Madhya Pradesh	307.51	382.27	450.68

1	2	3	4	5
12.	Maharashtra	589.76	699.41	823.16
13.	Manipur	01.92	02.00	09.27
14.	Meghalaya	03.47	05.05	06.33
15.	Mizoram	0.02	0.42	0.70
16.	Nagaland	3.07	5.89	7.97
17.	Orissa	153.21	182.93	223.93
18.	Punjab	511.99	606.09	671.26
19.	Rajasthan	252.02	339.11	389.54
20.	Sikkim	0.41	0.98	2.22
21.	Tamil Nadu	536.99	680.63	868.54
22.	Uttar Pradesh	729.84	827.18	983.60
23.	Tripura	5.76	7.40	11.89
24.	West Bengal	208.20	264.60	356.37
25.	Andaman & Nicobar Islands	0.80	0.96	01.37
26.	Chandigarh	141.11	174.53	185.98
27.	Dadra & Nagar Haveli	0.11	0.14	0.17
28.	Delhi	59.28	78.02	107.48
29.	Goa, Daman & Diu	15.75	17.77	20.96
30.	Lakshadweep	0.05	0.08	0.30
31.	Pondicherry	17.15	16.34	18.44
All India		6014.34	7344.05	8793.45

**SHRI LAKSHMAN MALLICK :** I have gone through the statement of the hon. Minister. May I know from the hon. Minister the total deposit of money of various public sector banks in Orissa at present ?

**MR. SPEAKER :** He wants for Orissa only. Have you got that figure separately ? If not, please send that to him.

**SHRI JANARDHANA POOJARY :** I have got deposit ratio. If the hon. Member wants deposits, I do not have it.

**SHRI LAKSHMAN MALLICK :** I want credit deposits in Orissa at present.

**SHRI JANARDHANA POOJARY :** The credit deposit in Orissa is 92.5% as against all India figure of 65.5%.

I have got total deposits in Orissa now. It is Rs. 1072.74 crores.

**SHRI LAKSHMAN MALLICK :** I have gone through the statement of the hon. Minister. It is stated that the percentage share of the agricultural advance from the public sector banks is considerably more than the All India figure. It may be true because Orissa is a backward State.

Those branches have not been opened in identified growth area. Also the marginal and small farmers are not getting adequate facilities even from the regional rural banks. The condition of the regional rural banks is not appreciable and they are running into loss. The Government of Orissa recommended opening of bank branches in the identified growth area centres. May I know from the hon. Minister what are the recommendations of the State Government and how the licences are issued for opening branches in growth centres in 1986-87 and 1987-88 ?

**SHRI JANARDHANA POOJARY :** So far as the share of Orissa in direct agricultural loan is concerned, I may submit that it is 21.72% as against the all-India figure of 13.71%. So, Orissa has got more than what is given to other

States. So far as the branch licences are concerned, this question relates to direct agricultural lending and not regarding the opening of the branches. So, I require notice for this.

**SHRI SOMNATH RATH :** Sir, the NABARD is not financing the cooperative banks in Orissa to give loan to the agriculturists and the Central Banks are not advancing loan on the plea that the required percentage of credit has not been collected in the State. In fact some Central banks have collected the credit and also some cooperative Central Banks are scheme-wise eligible. Under these circumstances, the agriculturists in Orissa are not able to get any loan. I would like to know from the hon. Minister what steps are going to be taken to see that the agriculturists in Orissa get the loan in proper time.

**SHRI JANARDHANA POOJARY :** Sir, it is the duty of the primary cooperative societies as also the State level cooperative banks to observe the norms and in fact it is the duty of the banks also to recover them. If they fail then it will be very difficult for NABARD to give loans. I will examine the case which has been brought to my notice by the hon. Member and I will write to him.

**SHRI AMAL DATTA :** Sir, the question and the answers given do not tally. The question is : what advances have been made by the public sector banks to the agriculture sector in the country during the last three years, state-wise ? The answer is : Statewise information outstanding agricultural advances of public sector banks as at the end of December 1983, December 1984 and December 1985 is set out in the Annexure. Sir, there is a great deal of difference between the two. One is the advance made and the other is the advance which has been made but not received back. I am sure that the hon. Minister understands this. Probably he has not looked at the question when he looked at the answer. They don't tally. Kindly inform the House about this after some time when you can get all the data

as to what in fact the advances are being made Statewise and out of this what is the outstanding. That is one thing. You can do it in future. Now, you don't have the figures. If you have got, kindly tell us.

Then, in regard to (b) part of the question, it is stated in the statement that in 1983-84, outstanding amount is Rs. 6,000 crores, for 1984-85, it is Rs. 7,300 crores, and for 1985-86, it is Rs. 8,700 crores. So, there is a progressive increase of outstandings. Does it mean that some of them or much of them are bad debt? How much of the agricultural loan should be repaid in the course of the year or the season? How much of these is in fact in bad debt? That can only be seen as to for how long it has been outstanding. You may define it. So, applying that definition what is the amount of bad debt?

MR. SPEAKER : It cannot be a catalogue of questions.

SHRI JANARDHANA POOJARY : The correct answer has been given. The terminology used in the banking sector is like that. The outstanding amount that is loaned is being given. That is the terminology used in the banking sector and there is ambiguity so far as the terminology is concerned. Now, this is the amount that is outstanding as on that date.

SHRI AMAL DATTA : That is not the question.

SHRI JANARDHANA POOJARY : That is the current terminology that is used.

SHRI AMAL DATTA : What terminology?

SHRI JANARDHANA POOJARY : Sir, the amount that is...

*(Interruptions)*

MR. SPEAKER : Let him finish now. You should not interrupt while he is speaking. Let him answer first.

*(Interruptions)*

SHRI JANARDHANA POOJARY : That figure has been clearly given in the Annexure to the answer, that is, Rs. 8,793.45 crores at the end of December 1985. That is the latest available figure that is given. So far as bad debts are concerned, our banking law and also the customs prevalent so far prohibit us from giving the correct figure of bad and doubtful debts, and we are prohibited from giving that figure to the Parliament and it has also been discussed.

SHRI SHANTARAM NAIK : Sir, about the loans by the public sector banks, the weaker section of the community is highly relying upon the loan melas which are highly acceptable and welcome to the people. But recently,\*\* said that loan melas are a stunt and he has challenged all the officers of the banks not to suffer the onslaught. Have you taken any action against\*\* making a public statement...

*(Interruptions)*

PROF. MADHU DANDAVATE : Sir, under the Constitution, their conduct cannot be discussed here.

*(Interruptions)*

SHRI SHANTARAM NAIK : In a public function this statement has been made by\*\*. In a public function which he has addressed, he made a statement that the loan melas have been a stunt.

*(Interruptions)*

MR. SPEAKER : You know, I will not allow any allegation against him.

SHRI SHANTARAM NAIK : I am not casting any aspersions. But in a public function he was saying that the Government policy is a stunt. Thus he has criticised the Government policy in a public function. *(Interruptions)\*\**

In a public address he has said it actually. It is in a public address that\*\* he has said like this. He was addressing some function...

*(Interruptions)*

MR. SPEAKER : Why are you all the time saying this ? I am looking into it.

SHRI SHANTARAM NAIK : Sir, please understand me. In a public function\*\* was making a statement on a Government policy stating that the loan mela is a stunt.

MR. SPEAKER : But this question is not relating to the main question also.

SHRI SHANTARAM NAIK : Sir, it is public sector loaning. Loan melas are conducted by the public sector banks.

MR. SPEAKER : It is not loan mela. Overruled.

SHRI SHANTARAM NAIK : Part (a) of the question relates to bank loans.

MR. SPEAKER : Shri Raj Kumar Rai—Question No. 574.

SHRI SHANTARAM NAIK : Sir, is any\*\* free to make any statement like that, I don't know.

#### Ban on Conversion of Non-Convertible Debentures

\*574. SHRI RAJ KUMAR RAI : Will the Minister of FINANCE be pleased to state :

(a) whether the decision of Government to ban conversion of non-convertible debentures has adversely affected the chances of raising funds from the stock market ; and

(b) if so, the alternative means of raising funds ?

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) No, Sir.

(b) The corporate sector can raise funds through a variety of instruments—the issue of equity shares, preference

shares, cumulative convertible preference shares and convertible debentures, as also from non-convertible debentures.

SHRI RAJ KUMAR RAI : I would like to know from the Minister what led the Government to ban non-convertible debentures. Is this a recent or long-standing policy decision ?

SHRI BRAHMA DUTT : Sir, there were some doubts, conjectures and speculations about this. Therefore, a decision was taken on 10th June that conversion of non-convertible debentures as a non-convertible portion or partially convertible debentures should henceforth not be permitted. These doubts were as a result of the speculations being made in certain cases and to set at rest these doubts, this decision was taken.

SHRI RAJ KUMAR RAI : There are reports that this ban affected the share market. Shares of prominent companies like ACC have crumbled. What is the reaction of the Government towards it ?

Secondly, has this ban been imposed to help public sector companies to raise funds through bonds ? I would like to know this from the Minister.

SHRI BRAHMA DUTT : It is a different question. Public sector bonds are quite popular. It does not have any impact on public sector bonds, they are quite popular. It has no impact on capital market or public sector bonds.

SHRI RAJ KUMAR RAI : My second Supplementary was that we have come to know and there are reports in the newspapers also, and there is also a murmuring in the public that this has affected the share market. Prominent companies like ACC have crumbled. What is the reaction of the Government towards this ? This is regarding A.C.C. and Reliance. You may like to say about A.C.C.

PROF. MADHU DANDAVATE : Fairfax will look after that.

SHRI BRAHMA DUTT : I would like to inform the hon. Member that we can