

sixth Member now who is absent today.

SHRI KRISHNA CHANDRA HALDER: I am present here.

MR. SPEAKER: Because you happen to be my namesake. Now, Question No. 489—Shri Mukunda Mandal.

PROF. MADHU DANDAVATE: On that ground Parliament should not be dissolved.

Assistance to Cyclone-Affected Persons in West Bengal by Nationalised Banks

*489. **SHRI MUKUNDA MANDAL:** Will the Minister of FINANCE be pleased to state:

(a) whether Government have been considering any proposal for direction to the nationalised banks to assist the cyclone-affected people of South 24 Parganas in West Bengal;

(b) if so, facts thereof;

(c) whether anything has been done by the nationalised banks since the cyclone; and

(d) if so, details thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (d). A statement is laid on the Table of the House.

Statement

There are standing instructions from Government to the banks to ensure prompt relief and rehabilitation assistance by them to people in areas affected by natural calamities. Under the guidelines, the banks are extending assistance by way of fresh crop loans, conversion of existing crop loans, rescheduling of term loans on flexible margins, security norms etc. The banks have also been advised not to charge penal interest on current dues and suitably defer the compounding of interest charges. Within the area of their direction, the banks are also expected to take a sympathetic view of the difficulties of the borrowers and extend a concessional treatment to the people affected by natural calamities.

In accordance with these guidelines, banks are extending facilities to people in Cyclone affected areas of 24 Parganas. The present data reporting system of the Reserve Bank of India does not yield the details asked for.

SHRI MUKUNDA MANDAL: Sir, I have gone through the statement, but the statement has not answered my question. Actually, this is no reply to my question. That is why I seek your protection. During the recent cyclone hundreds of people in this district have died and crops have been damaged severely, houses have collapsed, school buildings have collapsed or have been damaged and cattle have also been killed due to the cyclone and tidal waves. That is why I want to ask the hon. Minister whether, considering the damage of the crops and loss of cattle and human lives, he will exempt all the loans taken from the nationalised banks by the poor people of the area, I mean, the cyclone affected area of 24 Parganas.

AN HON. MEMBER: That is his constituency.

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): Yes, I know it is his constituency. That is why I want to visit his constituency after the cyclone.

MR. SPEAKER: Mr. Mandal, have you invited him already?

SHRI PRANAB MUKHERJEE: As my colleague has already mentioned, there is a standing instruction to the various scheduled and commercial banks when a natural calamity like this happens as to what they are expected to do and that has been mentioned in the statement which has been laid on the Table of the House. That is why I am not answering that part of the question.

For instance, they have to issue fresh loans, they have to re-schedule the old liabilities, they are not to charge penal rate of interest. Therefore, those matters which have been enumerated in the statement have been taken care of. But it would be very

difficult for me just to react positively to his suggestion that whenever there is a natural calamity there should be the straight instruction that all the outstanding loans will be written off and there will be no recovery. It is not possible.

SHRI MUKUNDA MANDAL:

The question is, there is the standing instruction of the Ministry to the nationalised banks. But how far the instruction has been implemented, that is to be seen. Here, in the statement it is said that "in accordance with these guidelines, banks are extending facilities to people in cyclone affected areas of 24 Parganas. The present data reporting system of the Reserve Bank of India does not yield the details asked for." So, what is done by the nationalised banks? I want to know that. The question is that the allegation comes to me that nothing has been done by the nationalised banks in that area. So, my specific question is whether the hon. Minister will inquire about that and take necessary action so that these poor people get some benefits at least through these nationalised banks.

SHRI PRANAB MUKHERJEE:

If there is any specific allegation that nothing has been done, definitely that will be looked into, but what I pointed out is that apart from these, regarding what the commercial banks are expected to do, the hon. Member is aware that whenever a calamity like this takes place, we send the Central teams to visit the affected areas to make assessments, to have discussions with the State Administrations and to make recommendations. In this particular case also a team was sent and they visited on 6-2-1982 and thereafter they made their recommendations. Here is a set pattern. Unfortunately within that set pattern we have to function. The pattern has been fixed by the Seventh Finance Commission. As per their recommendation for 1981-82 and 1982-83 the ceiling has been prescribed as

Rs. 18,17,00,000 and Rs. 7,57,00,000|-. Within that ceiling they made recommendations for giving assistance to the State Governments in three categories—ways and means advance, ad hoc plan assistance and non-Plan grants for cyclone relief we have released, as per recommendations of that study team, to the extent of Rs. 12 crores for this particular region.

SHRI KRISHNA CHANDRA HALDER: I would like to know from the hon. Minister—as he has said that Rs. 12 crores have been given to the State in this regard as I have understood—whether they will issue instructions to the nationalised banks to give interest free loan to the people in the cyclone affected area 24 Parganas to purchase cattle, to build their houses and to meet other requirements for their agricultural activities.

SHRI PRANAB MUKHERJEE:

The question of issuing instructions is not there. Instructions are already there. The question put was that these instructions are not being compiled with. We shall look into the matter whether these are being compiled with—whether the banks are working as per instructions.

World Bank Loans to Institutions lending to farmers

*490. **SHRI S. B. SIDNAL:** Will the Minister of FINANCE be pleased to state:

(a) the rate of interest and other details of World Bank loans to institutions that lend to farmers for increasing production in India;

(b) the areas decided for utilisation of loans and the agencies entrusted with the work of disbursement of loan amounts?

**THE MINISTER OF FINANCE
(SHRI PRANAB MUKHERJEE):**