

## LOK SABHA

*Monday, April 30, 1984/Vaisakha 10, 1906  
(SAKA)*

*The Lok Sabha met at Eleven of the Clock*

[MR. SPEAKER *in the Chair*]

### ORAL ANSWERS TO QUESTIONS

#### Cooperation from Cooperative Credit Institutions to IRDP

\*864. SHRI MADHAVRAO SCINDIA : Will the Minister of RURAL DEVELOPMENT be pleased to state :

(a) whether it is a fact that the cooperative credit institutions are not giving their full cooperation to the Integrated Rural Development Programme ;

(b) if so, the reasons therefor ; and

(c) the steps Government have taken in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF RURAL DEVELOPMENT (SHRI HARINATHA MISRA) : (a) It is true that the flow of credit from the Cooperative Sector for term loaning for the Schemes included in the Integrated Rural Development Programme has not been very encouraging.

(b) The main reasons for the low participation of Cooperative Credit Institutions in IRDP are : stringent security norms for sanction of loans, and in particular, in the case of Land Development Banks (LDB), insistence on landed security, the requirement of share capital contribution and the ineligibility of some IRDP beneficiaries to draw term loans in view of overdues of crop loans.

(c) This Ministry has addressed the State Governments and the Ministry of Agriculture

to take measures to increase the flow of cooperative loans under IRDP. The Ministry of Agriculture has informed that a model bill has been circulated by them to the State Governments suggesting amendments to the State Acts to enable LDBs to take up financing of IRDP activities. National Bank for Agriculture and Rural Development (NABARD) has set up a working group to examine the reasons for the poor participation of the cooperatives in IRDP and the measures necessary to increase their loaning.

SHRI MADHAVARO SCINDIA : Sir, the hon. Minister has said that one of the main reasons for the low participation of cooperative institutions is the stringent security norm for sanction of loans.

I would like to know —

(a) whether Government will be considering the alteration of the norms specifically for the IRDP purposes ; and

(b) whether the nationalised institutions are not very responsive to the weaker sections in the rural areas. To start off with a particular agent, if he is posted there, that is considered as a punishment post and he is disinterested in his work and all he is interested in is for a quick transfer back to the district headquarters or to the divisional headquarters. So, I think, that cooperative institutions are far more responsive and more representative of the weaker sections. Therefore, I think, that it would be much better if the funds of the nationalised banks which are earmarked for the IRDP loans are handed over to Apex Cooperatives in the States so that they can distribute it through their network and, these funds, when they are handed over to the Apex institutions, should be guaranteed by the respective State Governments. This would contribute positively to the elimination of the recipient of the IRDP from going from door to door or from bank to bank and it would enable him to get a quick sanction for his

loans. It would reduce the overheads of the nationalised banks and it would make the lending institutions far more responsive to the needs of the weaker sections. I would like to know from the Government whether such a proposal, to hand over funds, earmarked for the IRDP in the Nationalised Banks, to apex cooperative institutions in the State headquarters to be guaranteed by the State Government, is under the consideration of the Government. If it is there, how soon will a decision be taken; if it is not there, why is it not under consideration? Would the Government quickly consider this?

**SHRI HARINATHA MISRA :** So far as the commercial banks are concerned, I may inform the hon. Member and, through him, the entire House...

**MR. SPEAKER :** Not through him.

**SHRI HARINATHA MISRA :** Through you, the entire House ..

**MR. SPEAKER :** I have not delegated that power.

**SHRI HARINATHA MISRA :** .. the rules of the Commercial Banks have not been unsatisfactory.

**SHRI MADHAVRAO SCINDIA :** Give me the figures.

**SHRI HARINATHA MISRA :** I am giving you the figures. So far as the Sixth Plan period is concerned, the figures are :

Subsidy	Target for credit mobilisation
Rs. 1500 crores	Rs. 3,000 crores
	Upto February 1984,

according to reports, it is seen that already Rs. 2,030 crores have been mobilised by way of credit. Our expectation is that when the full reports are received from the various States, achievement will go upto Rs. 2,250 crores, for the period ending March, 1984. It is expected that during the last year of the current plan the balance would be made up and the full target of Rs. 3,000 crores would be achieved. (Interruptions)

**SHRI MADHAVRAO SCINDIA :** What about my suggestion to hand it over to the apex institution which is more representative to the weaker sections?

**SHRI HARINATHA MISRA :** So far as the apex cooperative banks are concerned I

have already told, through you the entire House, that their response has not been quite encouraging. So far as the improvement in their performance is concerned, I may inform the House that the matter has been taken up with the State governments.

**श्री माधवराव सिन्धिया :** सर, मेरा अपैक्स इंस्टीट्यूशन्स का जो मुझाव था, उसके सम्बन्ध में कोई स्पष्ट उत्तर नहीं आया। आपके जितने नेशनलाइज्ड बैंक्स हैं, क्या उनको आप सहयोग के लिए कहेंगे।

(व्यवधान)

यदि ऐसा हो जाएगा तो हम एक कदम तो आगे बढ़ेंगे। Why are you frightened of this suggestion? Why don't you just say that you will consider it?

**SHRI HARINATHA MISRA :** I for one cannot immediately say how the commercial banks can be put in charge of the apex cooperative banks.

**MR. SPEAKER :** Even if you say you will consider it that does not mean complete 'yes'. At least the Member will be satisfied.

**SHRI HARINATHA MISRA :** Sir, I will consider the proposal.

**SHRI MADHAVRAO SCINDIA :** How soon would you come to a decision on that?

**SHRI HARINATHA MISRA :** After due consideration whatever is warranted I will do.

**SHRI MADHAVRAO SCINDIA :** I would like to know if the Central government has issued instructions to apex bodies to earmark specific funds for IRDP as was done in the case of nationalised banks. If not, why not? Would you consider this proposal within a time-bound period and take a decision thereon.

Secondly, Sir, there are certain malpractices which take place in cooperative institutions, when a cultivator or a member of the weaker section goes to return his loan. Many a time the official concerned gives a false receipt and after a few years it is found that the loan is still standing against his name in the bank. What action govern-

ment is taking to curb this malpractice ?

**SHRI HARINATHA MISRA :** So far as the main contention of the hon. Member is concerned I may inform him, through you, that on direction from the Ministry of Rural Development, National Bank of Agriculture and Rural Development (NABARD) has set up a working group in March 1981 to recommend administrative and legal measures to remove constraints like security norms, inadequacy of technical and supervisory staff of cooperatives etc. and to recommend other relevant measures for larger participation of cooperatives in IRDP loaning. The Working Group comprises of General Manager NABARD, representatives from Ministry of Rural Development, Ministry of Finance, Planning Commission, Reserve Bank of India and from the State Cooperative Societies and Land Development Banks.

**PROF. MADHU DANDAVATE :** The Minister has very clearly admitted in his answer about the failure of the participation of cooperative credit institutions in IRDP. Is it not a fact that the present Government has given a low priority to anti-poverty measures whether it be IRDP or Food for work or Antyodaya schemes. As a result, the programmes for eradication of poverty have been suffering a great deal. Would the Minister use his good offices with the Finance Ministry to ensure this ? Because, Credit Curbs have been introduced in the case of a number of banks. The Credit Deposit Ratio has not reached the target of 60 per cent in rural and semiurban areas. Despite various measures of increasing cash reserve ratio, impounding incremental deposit etc there is failure of the banks to reach 60% target. Would he use his good offices with Finance Ministry to ensure that the necessary credit for IRDP and similar anti-poverty programmes are adequately met ?

**SHRI HARINATHA MISRA :** I have already answered this question in this House just now and through you, Mr. Speaker, I told the House at the very outset that the target for sixth plan period had been fixed at Rs. 3,000 crores and it is likely that by the end of the plan period the target would be more than achieved. The member mentioned about enlisting good offices of the Finance Ministry, Planning Commission etc. I may inform the House that a Working

Group is already seized of the issue and is conscious of the relevant points.

**PROF. MADHU DANDAVATE :** He has not answered the first part of my question. I asked whether other anti-poverty measures like Food for work programme and Antyodaya programmes are suffering due to lack of finance. He has not touched that point at all.

**SHRI HARINATHA MISRA :** It is a fact that food for work programme is no longer in operation. On the suggestion that due to lack of funds the projects are suffering, I may say, it is no fact.

(Interruptions)

पशुओं के लिए सस्ते आहार का उत्पादन :

\*868. श्री दयाराम शाक्य : क्या कृषि मंत्री यह बताने की कृपा करेंगे कि :

(क) भारत में किन-किन स्थानों में पशुओं के लिए सस्ते आहार का उत्पादन करने वाले सार्वजनिक क्षेत्र के कारखाने हैं और किन स्थानों में ऐसे अन्य कारखाने स्थापित करने की योजना है; और

(ख) पशु आहार बनाने वाले सरकारी क्षेत्र के कारखानों को पिछले तीन वर्षों में प्रति वर्ष कितना लाभ अथवा हानि हुई है ?

**THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI YOGENDRA MAKWANA) :** (a) The Government of India does not run any cattle feed factory in the public sector. However, some State Governments have established cattle feed factories. As per available information these are at Jind in Haryana ; Parwanoo and Jachh in Himachal Pradesh ; Bombay, Pune, Yavatmal and Nagpur in Maharashtra ; Bhuvaneswar, Berhampur and Sambalpur in Orissa ; Gorakhpur, Moradabad, Lucknow and Hapur in Uttar Pradesh ; Bangalore and Belgaum in Karnataka. Setting up of feed plants at Robertsganj in Uttar Pradesh and Rourkela in Orissa in the State Public Sector is under consideration.

(b) Cattle Feed production is one of the many activities of the concerned State organisations such as Agro-Industries Cor