

'Loan Melas' organised by Commercial Banks

*14. PROF. MADHU DANDAVATE : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India in its report on the "Trend and progress of banking in India" for the year ending June, 1984 expressed concern at the dwindling profitability of commercial banks in the country ;

(b) whether this has been due to the 'loan melas' organised by the public sector banks in various parts of the country ;

(c) whether the Banking Companies Regulation Act requires all banking operations to take place within specified hours at premises licensed by the Reserve Bank of India ;

(d) whether Government are aware that these and other rules of open disclosure of loan amounts violate banking rules ;

(e) if so, the details thereof ; and

(f) the steps taken to stop these 'loan melas' ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Reserve Bank of India in its report on trend and Progress of Banking in India for the year ended June, 1984 has indicated improving profitability as one of the medium term tasks before the banks.

(b) No, Sir.

(c) and (d). Reserve Bank of India have advised that no provisions of the Banking Regulation Act are violated by holding of public functions for distribution of loans to small borrowers, in which they voluntarily participate.

(e) Does not arise.

(f) No such steps are contemplated.

Plan Targets and achievements of Rural Banks

*15. SHRIMATI GEETA MUKHERJEE : Will the Minister of FINANCE be pleased to state the State-wise annual Plan targets and achievements of the rural Banks during the Sixth Plan so far as also the position of the loan recovery ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : It was envisaged to set up 105 regional rural banks during the Sixth Plan period. As against this, 108 regional rural banks have been set up between April, 80 to December '84 taking the total number of regional rural banks to 173, covering 304 districts. There were no statewide targets for setting up of the regional rural banks.

In regard to lendings by regional rural banks, no plan targets are fixed at the State Level. The regional rural banks are allocated shares in various credit-based plan schemes at the district level. By the end of June, 84, 162 regional rural banks had opened 8727 branches with deposits amounting to Rs. 774.3 crores and advances of Rs. 859.97 crores giving a Credit Deposit ratio of 111 per cent. The statewide information is set out in statement-I.

Available information on loan recovery for end June, 83 shows that 142 regional rural banks had made a recovery of Rs. 191.42 crores against the demand of Rs. 367.05 crores. Thus, the recovery amounted to 52% of the demand. State-wise data is given in statement-II.

Statement—I

Statewise operations of RRBs (As at the end of June, 1984)

(Rs, in Lakhs)

State/U.T.	No. of RRBs.	No. of branches	Deposits	Advances (Outstanding)	C.D. Ratio (%)
(1)	(2)	(3)	(4)	(5)	(6)
1. Andhra Pradesh	12	656	7087.72	9318.32	131
2. Assam	5	184	1935.14	1104.38	51
3. Bihar	18	1344	12354.85	10883.14	88
4. Gujarat	7	133	840.78	535.86	64
5. Haryana	2	174	2366.73	2131.47	90
6. Himachal Pradesh	1	84	1296.00	708.39	55
7. Jammu & Kashmir	3	220	1491.94	887.55	59
8. Karnataka	9	686	4572.47	8700.33	190
9. Kerala	2	238	2916.56	4013.87	168
10. Madhya Pradesh	21	965	5748.50	5721.08	99
11. Maharashtra	7	213	1064.48	1502.79	141
12. Manipur	1	12	25.84	31.67	122
13. Meghalaya	1	19	63.49	30.35	48
14. Nagaland	1	3	1.27	1.26	99
15. Orissa	9	649	3950.41	8782.53	222
16. Punjab	3	21	72.67	52.37	72
17. Rajasthan	13	557	4041.26	6184.94	153
18. Tamil Nadu	1	121	1258.22	2174.60	173
19. Tripura	1	61	901.11	1499.19	153
20. Uttar Pradesh	35	1899	20930.61	16007.34	76
21. West Bengal	8	482	4415.19	4822.37	109
22. Arunachal Pradesh	1	2	6.30	0.09	1
23. Mizoram	1	4	12.62	3.60	29
ALL INDIA	162	8727	77434.16	85997.39	111

Statement—II

Statewise data on recovery of dues (as at the end of June 1983)

State/U.T.	No. of RRBs	Demand	Recovery	Percentage of (4) to (3)
(1)	(2)	(3)	(4)	(5)
(amount in Rs. lakhs)				
1. Andhra Pradesh	12	5341.29	2707.33	51
2. Assam	5	346.15	199.52	58
3. Bihar	17	3169.62	1583.02	50
4. Gujarat	4	155.07	95.31	61
5. Haryana	2	1113.08	611.94	55
6. Himachal Pradesh	1	413.00	162.00	39
7. Jammu & Kashmir	3	285.51	135.25	47
8. Karnataka	8	4964.69	3111.08	63
9. Kerala	2	3114.00	2269.00	73
10. Madhya Pradesh	18	1676.77	753.03	65
11. Maharashtra	3	879.29	396.33	45
12. Manipur	1	2.20	2.11	96
13. Meghalaya	1	—	—	—
14. Nagaland	1	—	—	—
15. Orissa	9	3280.11	1439.54	44
16. Punjab	3	0.09	0.09	100
17. Rajasthan	9	2588.16	1291.85	50
18. Tamil Nadu	1	713.00	418.00	59
19. Tripura	1	943.91	502.98	53
20. Uttar Pradesh	33	5769.44	2713.21	47
21. West Bengal	8	1949.80	750.79	39
ALL INDIA	142	36705.18	19142.38	52