

WRITTEN ANSWERS TO STARRED QUESTIONS

Creation of Separate Telecom Districts for Dhemaji and Lakhimpur in Assam

*484. DR. ARUN KUMAR SARMA: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the people of Lakhimpur and Dhemaji districts of Assam have to travel upto 450 Kms to get their problems of billing, operational facilities etc. redressed from Telecom District Office at Tezpur;

(b) whether Government are aware that these two districts remain cut-off from rest of the country by rail and road communications during every summer due to floods;

(c) if so, whether Government would consider creation of two separate telecom districts for Dhemaji and Lakhimpur; and

(d) the details of effective measures being taken for immediate redressal of the aforesaid problems?

THE MINISTER OF COMMUNICATIONS (SHRIMATI SUSHMA SWARAJ): (a) Sub Divisional Officers are posted at Lakhimpur and Dhemaji to take care of operational and maintenance needs of the telecom services and redressal of many of the public grievances. .

(b) Lakhimpur & Dhemaji are flood prone areas and cut-off by road link to Tezpur during heavy rains.

(c) and (d) Creation of separate Telecom District at Lakhimpur and Dhemaji is not feasible because of genuine administrative, operational and technical constraints. However, official of the Telecom District Head-quarters at Tezpur are being instructed to personally visit Lakhimpur and Dhemaji as frequently as possible and as required to attend to their problems.

Credit Admissible to Farming Community

*485. SHRI YADLAPATI VENKAT RAO: Will the Minister of FINANCE be pleased to state:

(a) the total credit admissible to farming community;

(b) whether the banks are extending 18 per cent credit under the priority sector lending;

(c) if not, the reasons therefor; and

(d) the steps taken by Government to ensure that the credit reaches the farming community in time?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) and (b) As reported by Reserve Bank of India (RBI), in terms of extant policy, commercial banks are required to grant atleast 18% of their Net Bank Credit (NBC) as finance to agriculture. However, despite substantial increase in the ground level flow of credit to agriculture from public sector banks from a level of Rs. 15857 crores (1991) to Rs. 31012 crores (1997), the target of 18% of NBC to agriculture has not been fully achieved by the commercial banks as may be seen from the data given hereunder pertaining to the performance of public sector banks (March 1995-March 1998) in extending credit to agriculture:

As on last Friday	Lending to Agriculture Outstanding (Rs. in crores)	% of Agricultural Credit to Net Bank Credit
March 1995	23513	13.91
March 1996	26351	14.29
March 1997	31012	16.35
March 1998*	34304	15.72

* (Data Provisional)

(c) and (d) The targets for priority sector as well as agriculture have been

fixed on the basis of 'outstandings' which decrease as a result of improved recoveries and write-off of loans. Further, the reserve requirements of banks have progressively been reduced during the recent years leading to a substantial increase in the volume of lendable resources. As a result, overall Bank Credit and credit to agriculture has also expanded. But, despite an increase in their lendings to agriculture, the banks have not been able to maintain the stipulated share of 18% of their NBC as finance to agriculture.

Notwithstanding this, Reserve Bank of India (RBI) has advised scheduled commercial banks to make all efforts to achieve the stipulated target/sub-target for lending to priority sector/agriculture. Banks which have not reached the agricultural lending sub-target of 18% of net bank credit are required to make contributions to the Rural Infrastructural Development Fund (RIDF) maintained by National Bank for Agriculture and Rural Development (NABARD) which is used to provide funds to the State Government for investment in rural infrastructure.

Further, a number of steps have been taken by RBI and NABARD to enhance the credit flow to the agriculture sector. Some of these include, inter-alia, the following:

(i) Banks have been asked to formulate Special Agriculture Credit Plans (SACPs). They have also been asked by RBI to increase disbursements under SACPs to agriculture sector by 25%;

(ii) With a view to strengthen the financial capability of NABARD, its capital has been raised by Rs. 1000 crores during the past two years and is expected to be raised further by Rs. 500 crores during the current year;

(iii) 151 out of 196 Regional Rural Banks (RRBs) have been given recapitalisation support aggregating Rs. 774 crores (Central Government share). A provision of Rs. 265 crores

has been made in the Budget for the current year for carrying forward the process of recapitalisation of RRBs;

(iv) Banks have been advised to set up specialised agricultural branches in each State to exclusively deal with high-tech agricultural advances;

(v) Banks have been advised to extend cash credit facilities for meeting composite credit requirements of farmers having a good track record;

(vi) Most of the recommendations made by the High Level Committee on agriculture credit (R.V. Gupta Committee) appointed by RBI have been accepted by them which include, inter-alia, simplification of procedures regarding loan applications, delegation of powers to branch managers, introduction of composite cash credit limits to farmers, introduction of new loan products with savings component, cash disbursement of loans, discretion to banks on matters relating to margin/security requirements for agricultural loans above Rs. 10,000/- and dispensing with "No Due Certificate" as a compulsory requirements, etc.

It is expected that these recommendations when fully implemented by banks would improve flow of credit to agriculture sector specially small and marginal farmers.

Vacancies in Newly Commissioned Low Power TV/AIR Centres

*486. SHRI KARENDU BHATTACHARJEE: Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether it is a fact that most of the newly commissioned low power Television relay centres and All India Radio Centres across the country, especially in North-Eastern region, are suffering from acute shortage of staff and nearly five hundreds posts at the level of subordinate engineering services have been lying vacant for over two to three years; and