

Performance of Regional rural banks

*139. SHRI RAHASBIHARI
BARIK;

SHRI BHAGABAN MAJHI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have identified the Regional Rural Banks which are running at losses;

(b) if so, what are the details thereof; and

(c) the details of the steps taken to improve the performance of these banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Yes, Sir. The amount of loss incurred by 172 out of 196 Regional Rural Banks (RRBs) during 1992-93 (latest available) was Rs. 327.76 crores. The list giving the names of such RRBs and the amount of loss incurred by them during the year 1992-93 is given in Annexure. (See Appendix 171, Annexure No. 21) The results for the year ending March, 1994 have not yet been received.

(c) The following steps have been taken by Government, Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD) to avoid losses of RRBs and to improve viability in general.

(i) With effect from 12.9.1992 RRBs have been allowed to finance non-target group borrowers to an extent not exceeding 40 per cent to their fresh loans. Financing to non-target groups have been further raised to 60 per cent to their fresh lendings with effect from January, 1994.

(ii) RBI issued instructions on 4.3.93 to all sponsor banks to pay a minimum interest of 13.5 per cent per annum on all SLR term deposits of RRBs kept with them. Further all commercial banks (sponsor or non-sponsor) have been advised by RBI to revise upward with effect from 1-4-93, the interest rates on current account balances maintained by RRBs with such banks from 6.5 per cent to 7.5 per cent per annum.

(iii) RRBs have been allowed to draw cent per cent refinance upto Rs. 10 lakhs for loans to small and tiny industrial units with out-lay not exceeding Rs. 15 lakhs. Cent per cent refinance is also available to the RRBs for financing of small road transport operators.

(iv) Further, with effect from 22.12.93 a package of measures have been initiated by RBI/NABARD in consultation with the Government which inter-alia includes increasing non-fund business, freeing RRBs whose disbursements during 1992-93 were less than Rs. 2 crores from service area obligation and permitting them to relocate loss

making branches in places like Mandis, Taluks|District headquarters, agriculture produce centres etc., and to open extension counters and to install safe deposit lockers.

(v) 49 Regional Rural Banks have been identified for comprehensive restructuring.

Acquisition of real estate by foreign banks

*140. SHRI JIBON ROY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have allowed foreign banks operating in the country to acquire real estate; and

(b) if so, how many banks have so far acquired real estate together with details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Reserve Bank of India (RBI) has intimated that foreign banks are allowed to acquire immovable property in India only for the purpose of undertaking banking business and for housing their employees. Foreign banks are not allowed to acquire immovable property other than for their own use.

(b) RBI has reported that details of the properties acquired by foreign banks are not readily available as the data reporting system does not generate such information.

Modifications in the policies of privatisation of value added services

874. SHRIMATI CHANDRIKA ABHINANDAN JAIN: Will the Minister of COMMUNICATIONS be pleased to state:

(a) whether the telecom commission has decided to review and make necessary modification in the policies for and modalities of privatisation of value added services such as electronic mail, voice mail, satellite networks and audiotex;

(b) if so, the details thereof;

(c) whether it is a fact that the licences for electronics mail alleged that the D.O.T. was imposing unnecessary, unreasonable and unsustainable conditions and thus making it impossible for licence to operate the services as a viable business;

(d) if so, the reasons therefor; and

(e) the out-come of a special meeting between the commission and representatives of industrial sector, recently in the month of January, 1994?

THE MINISTER OF STATE OF THE MINISTRY OF COMMUNICATIONS (SHRI SUKH RAM): (a) Yes, Sir. The terms and conditions have been modified|liberalised with a view to promote value added services.

(b) The details of old revised terms and conditions are given, in the Statement. (See below).

(c) to (e) No Sir. However, some of the companies have made representations for liberalising the terms and conditions. A meeting was held with prospective service providers and based on their suggestions the terms and conditions were liberalised as already mentioned above. Four companies have already signed the licence agreement for Electronics Mail Service.