

THE MINISTER OF STATE IN
THE MINISTRY OF FINANCE
(SHRI JANARDHAN POOJARI):

(a) No, Sir.

(b) and (c) Do not arise.

SHRI JERLIE E. TARIANG: Sir, I would like to know whether there is a change in the guidelines for taking over of banks since 1980 when some banks were taken over? If no, is the Government satisfied with the guidelines, are those guidelines which were relevant in 1980, relevant today also? Lastly, is the Government fully satisfied with the working of the private banks?

MR. CHAIRMAN: I think I should answer this question because it was I who took over banks in 1980.

SHRI JANARDHAN POOJARI: The question is not clear whether by taking over the hon Member means that it is nationalisation or merger or amalgamation. If he is referring to merger or amalgamation, there are specific provisions in the Banking Regulation Act under section 36(a), (e)...

MR. CHAIRMAN: He is only asking about nationalisation. If you reply to other points, supplementaries will be asked on those points.

SHRI JANARDHAN POOJARI: So far as nationalisation is concerned, there are no specific guidelines but nationalisation is done through legislation passed in the Parliament.

MR. CHAIRMAN: Mr. Tariang, I do not think you have another supplementary. (Interruptions). When the answer is in the negative, what supplementaries can be asked?

Next Question.

*125. [The questioners (Shri Sharad Yadav and Shri Satya Prakash Malaviya) were absent for answer, vide col. 38-39 infra].

Ceiling of the family income of the borrower under DRI

*126. SHRI RAOOF VALIULLAH: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the ceiling of family income of the borrower under the DRI scheme has been revised and if so, what is the present ceiling, rate of interest and target fixed under the scheme;

(b) what are the recommendations of the Task Force appointed by the Government of India in April, 1983 for the purpose; and

(c) what is the eligibility criteria of borrowers for assistance under this scheme and the details thereof?

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(SHRI JANARDHAN POOJARI):

(a) to (c) A Statement is laid on the table of the House.

Statement

(a) and (c) The ceiling on the family income for eligibility under Differential Rate of Interest (DRI) Scheme has been revised from Rs. 2,000/- per annum to Rs. 6,400/- per annum for rural areas and from Rs. 3,000/- per annum to Rs. 7,200/- per annum for other areas. There is no change in the rate of interest and the target of lending which remains unaltered at 4% per annum and 1 per cent of the total advances outstanding as at the end of the previous year respectively. Persons satisfying the above income criteria, orphans, women's home and in

stitutions for physically handicapped are eligible for loan assistance under DRI Scheme.

(b) The Task Force on DRI Scheme did not make any specific recommendation on lending targets, but suggested that all members of Scheduled Castes/Scheduled Tribes assisted under Integrated Rural Development Programme (IRDP) in rural areas and covered by some financial assistance programmes of Government in urban areas be given loans under DRI Scheme. The recommendations of the Task Force relating to income level for eligibility and rate of interest under DRI Scheme were as follows:—

(i) The income criteria for eligibility under DRI Scheme both for rural and urban areas should be the same as prescribed under IRDP.

(ii) The rate of interest on advances under DRI Scheme should be two percentage points below the bank rate or the rate chargeable on IRDP loans whichever may be less. Since at present both bank rate and interest rate under IRDP are the same namely 10 per cent per annum, the rate of interest for DRI loans be kept at 8 per cent per annum.

SHRI RAOOF VALIULLAH: Mr. Chairman, Sir, I would like to know whether it is a fact that under the new guidelines issued by the RBI the beneficiaries under the DRI scheme will not be eligible to State subsidy, and if so, whether the Government has considered the heavy burden on State economic development corporations, namely, Tribal Development Corporation, the Scheduled Castes Banking Development Corporation, the Minorities Financial Corporation, etc who borrow at the rate of 4 per cent and then disburse to the needy

poor, the Adivasis, the Harijans and the minorities. If the subsidy component is delinked from the DRI scheme, does the Government realise that all the State corporations will go defunct?

SHRI JANARDHAN POOJARI: So far as DRI scheme is concerned, the rate of interest is 4%. So far as IRDP and some other programmes are concerned, the rate of interest is 10%, but there is an element of subsidy. So far as DRI scheme is concerned, there is no element of subsidy, but the rate of interest is 4%. Under these circumstances the Government has come to a conscious decision that so far as DRI scheme is concerned, there will not be any element of subsidy.

SHRI RAOOF VALIULLAH: That is precisely what I have asked for. The State Corporations will no longer bear the burden if they borrow at 10% and then disburse to the needy poor because the DRI beneficiaries are lower in category than even the IRDP beneficiaries. That is precisely what I am asking: why are you delinking the subsidy component from DRI scheme?

My second question is, it has been stated that there is no change in the rate of interest and you have already crossed even the target of lending which remains at 1% of the total advances; it is now 1.1 per cent. With this in view, I want to know whether the Government will revise and make the target 2% or 3% of the total advances.

SHRI JANARDHAN POOJARI: I have already stated this when you asked the first supplementary. At the cost of repetition, I want to mention that so far as DRI scheme is concerned, there is no element of subsidy. The rate of interest is 4%, whereas in the case of IRDP the

subsidy is to the extent of 33-1/3% in the case of marginal farmer, 25% in the case of small farmer, 50% in the case of tribals. That means it is more than the rate of interest of 4%. So in order to cover more poor people who are living below the poverty line, we are making a distinction between the DRI scheme and the IRDP scheme.

So far as the second part of your question is concerned, what was it?

MR. CHAIRMAN: He only asked about the target.

SHRI JANARDHAN POOJARI: So far as target is concerned, the hon. Member may kindly note that from the incremental deposit which accrues every year, we are getting more funds for giving under the DRI scheme. Every year we are getting funds in the range of 100 to 130 crores, sometimes 150 crores, for the purpose of DRI scheme. So it is 1% of the total advances at the end of December every year. So if the incremental deposit per year is increasing, we are getting more funds for giving under the DRI scheme.

SHRI DHARANIDHAR BASUMATARI: There is not a shadow of doubt about the aid being given to the States to develop tribal areas. But I want to know whether there is any scheme or any special committee to see whether the money is being utilized properly or not. So far as I understand, the money flows from the Centre to the States for the development of scheduled castes and scheduled tribes in various areas, but that money is being diverted to other areas, instead of being spent for the development of the tribal areas. I want to know categorically whether there is any machinery to monitor the spending of the money. You have to depend

on the report of the State Government, the report of the State Government may mislead you.

SHRI JANARDHAN POOJARI: There are committees at the district level, block level and also at the State level to monitor the programmes and also to see how the programmes are implemented. So far as the district level is concerned, we have got a Governing Council also, wherein the non-officials are members, to monitor the implementation of these programmes.

MR. CHAIRMAN: Next question. No. 127.

US offer to compensate opium cultivators in India

*127. SHRI AJIT P. K. JOGI: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that the Government of USA have recently offered to fully compensate the Opium cultivators in India if they stop opium cultivation;

(b) if so, what is the reaction of the Government of India in regard thereto; and

(c) whether any similar offer was made by the U.N. in regard to financial assistance for combating the malady of drug trafficking?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) No, Sir.

(b) Does not arise.

(c) A Mission on behalf of the United Nations visited India in