

Time Limit for Sanction of Schemes for Units Registered with BIFR

3871. MISS FRIDA TOPNO: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any plan to prescribe time limit for sanction of scheme after a unit is registered under BIFR;

(b) whether RBI has any plan to relax provisions of non-performing assets in case of industries registered with BIFR which require immediate and urgent infusion of funds for operations of the units to avoid any lay off, closure of suspension of production; and

(c) whether in such cases BIFR would issue instructions to Banks to allow operation of Bank accounts in order to maintain production for arresting cash losses ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) The cases registered with Board for Industrial and Financial Reconstruction (BIFR) are dealt with in accordance with the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985. Section 18(1) of the Act lays down that the Operating Agency shall prepare Rehabilitation proposal as expeditiously as possible and ordinarily within a period of 90 days.

(b) Reserve Bank of India (RBI) has reported that at present, there is no proposal to relax provisioning norms in respect of Non-Performing Assets (NPAs) of Industries registered with BIFR.

(c) As per the scheme of SICA, BIFR has no jurisdiction to issue instructions to the banks to allow holding on operations in their accounts. However, in certain cases, on the requests received from the companies, the Board has advised the concerned banks to allow such holding on operations so that the financial position of the sick industries does not deteriorate further.

Rural Credit

3872 SHRI H. K. JAVARE GOWDA : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that even after the enhancement of corpus fund in rural credit, the poor cultivators are not benefited ; and

(b) if so, what are the reasons therefore?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) and (b) No, Sir. It is not correct to say that the cultivators/agriculturists are not benefited. Ever since the introduction of Special Agricultural Credit Plans (SACPs) for public sector banks by the Reserve Bank of India since 1994-95, the ground level flow of credit to agriculture has increased from Rs. 8255 crore in 1994-95 to Rs. 17787.63 crore in the year 1998-99. The public sector banks have projected an aggregate target of Rs. 21307.62 crore for disbursement to agriculture under SACP during the year 1999-2000. The achievements for the year are under review. Meanwhile, RBI and National Bank for Agriculture and Rural Development have been taking several measures to further strengthen the flow of credit to agriculture sector. Some of these steps include introduction of cash credit facility for meeting the composite credit requirements of farmers/cultivators, introduction of the Kisan Credit Card Scheme for agricultural borrowers, opening of specialized agricultural branches to take care of financing of high-tech agricultural products, simplification of loan application forms, delegation of powers to the branch managers of banks for speedier sanction of loan, insistence of no-due certificate by banks at their own discretion, non-insistence of security/ margin for agricultural loans upto Rs. 10,000/- etc. In addition, banks falling short of their target in lending to agriculture have to contribute to Rural Infrastructure Development Fund (RIDF) maintained by National Bank for Agriculture and Rural Development (NABARD) for assisting the State Governments and State-owned Corporation for completion of their on-going projects relating to rural infrastructure.

Deficit and Surplus in States Budget

3873. SHRI C. M. IBRAHIM: Will the Minister of FINANCE be pleased to state:

(a) what are the details of deficit and surplus in the Budget of different States for the year 2000-2001 and how do they compare with this last two years, and the overall percentage of such deficit; and

(b) in what manner it affected the national economy indicating various parameters thereof ?