

[15 May, 2007]

RAJYA SABHA

has tentatively finalized the pipeline for Calendar Years 2007-2009. The pipeline aims at gradually increasing the lending volume from US \$2.45 billion in CY 2007 to US \$2.65 billion in CY 2008 and to US \$2.85 billion by CY 2009. Transport projects are likely to account for 34%. Urban for 22.6% and Energy for 19.5%. Loans for developing agriculture infrastructure, modernizing commodity markets, improving water and coastal resource management and supporting public-private partnerships in tourism infrastructure are likely to account for around 24%.

(c) The proposed Orissa integrated irrigated Agriculture and Water Management Project for US \$ 200 million is in the pipeline for CY 2008. The objective of the loans is to enhance productivity and sustainability of existing major, medium and minor, lift irrigation systems through Participatory Irrigation Management and Integrated Water Resources Management.

**Switching over from cash based accounting system to  
accrual system**

4331. DR. ABHISHEK MANU SINGHVI:  
SHRI VIJAY J. DARDA:  
SHRIMATI MOHSINA KIDWAI:

Will the Minister of FINANCE be pleased to state;

(a) whether Government have implemented the recommendations of the Twelfth Finance Commission to improve finance reporting of State Governments in the long term by switching over from cash-based accounting system to accrual system;

(b) if so, which are the States which have adopted this system and those which have not; and

(c) what steps have been taken to persuade remaining State Governments lagging behind so that Central Government is in a better decision making syndrome while allocating resources to States?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Twelfth Finance Commission (TFC) has, in para 14.16 of its report, recommended that the Central Government should gradually move towards accrual basis of accounting. The recommendation of the TFC has been

accepted by the Government in principle, and Government Accounting Standard Board in the Office of the Comptroller & Auditor General of India (CAG) was asked to draw a detailed road map and operational framework for its implementation.

(b) Accrual accounting has not been introduced in any State. CAG's office has taken up the matter with the State Governments and they have been requested to take initiatives to introduce accrual accounting. Nineteen States' Governments, namely, Andhra Pradesh, Assam, Bihar, Chhattisgarh, Goa, Gujarat, Haryana, Himachal Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Rajasthan, Sikkim, Tripura, Uttar Pradesh, Uttarakhand, and West Bengal have agreed in principle to introduce accrual accounting. Out of these, twelve have considered conducting pilot study and three have notified constitution of their respective task force to monitor the pilot studies.

(c) CAG's office is organizing seminar-cum-workshop with the State Governments to sensitize them about the requirements of transition to accrual accounting.

#### **Bank Credit to SSIs**

†4332. DR.MURLI MANOHAR JOSHI:  
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that participation by banks for credit to the units of small scale industries is continuously decreasing since past years;

(b) if so, the percentage of loan given to small scale industries in each financial year during April, 2004 to March, 2007 as compared to the total amount of loan given by these banks for the said period; and

(c) to what extent this percentage is less than the limit prescribed under the guidelines of Reserve Bank of India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. In absolute terms the SSI advances have shown an upward trend and advances have doubled between March, 2004 and September, 2006. However, the percentage of credit to SSI sector as against total Net Bank Credit has declined over the period.

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†Original notice of the question was received in Hindi.