Delay by I.F.C. in Clearing Applications for Incentive Schemes

95. SHRI C.P. MAJHI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware of the inordinate delay in clearing applications for various Incentive Schemes by the Industrial Finance Corporation; and

(b) if so, what steps Government propose to take to improve the situation?

THE MINISTER OF FINANCE (SHRI Y.B. CHAVAN): (a) and (b) The Industrial Finance Corporation considers applications of medium and large scale industries which require detailed scrutiny. The intending applicants have to furnish essential information about the project and other related data and also obtain other approvals and clearances from Government. The internal procedures of the Corporation are continually reviewed by its Board to eliminate all possible causes of delay.

As regards disposal of applications under the incentive schemes applicable to backward areas, a study has revealed that 22 cases out of 36 were sanctioned within a period of 6 months from the dates they were considered ripe for processing. Out of the remaining 14 cases, 9 cases related to cooperative societies which could not be taken up immediately for appraisal for want of compliance of essential requirements of raising of minimum share capital etc., and in the other cases, the original schemes had to be changed on the suggestion of the Corporation.

The Corporation has also undertaken two other incentive schemes sponsored by the Ministry of Commerce. In the scheme relating to export-oriented cotton textile mills 6 applications were received from the Textile Commissioner, out of which 2 have withdrawn their applications, 2 have requested for deferment and 2 are being processed. In the case of the scheme relating to jute mills, only one application is pending while 13 applications sanctioned so far were cleared generally within a period of 2 to 4 months.

International Seminar on Agricultural Banking

96. SHRI G.R. PATIL:
SHRI M.S. ABDUL KHADER:

Will the Minister of FINANCE be pleased to state:

(a) whether an international seminar on agricultural banking was held at Hyderabad recently;

(b) if so, what were the main recommendations of the seminar; and

(c) what action Government propose to take in the light of the recommendations made thereat?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI): (a) Yes, Sir. An International seminar, jointly sponsored by Food and Agriculture Organisation (United Nations), Government of India, Reserve Bank of India and State Bank of India, on agricultural banking was held at Hyderabad from September 10 to October 13, 1973.

(b) It is reported that certain broad conclusions were drawn on the institutional structure for promotion of agricultural banking in developing countries, the roles of Governments and Central Banks in promoting agricultural credit in these countries, the significance of small farmers in agricultural dev.lopment of developing countries and means of integrating them in agricultural policies and programmes of the countries.

(c) Appropriate action will be taken on receipt of the formal report.

Foreign Exchange Reserves

97. SHRI SANDA NARAYANAPPA: Will the Minister of FINANCE be pleased to state:

(a) what was the foreign exchange position at the end of October, 1973; and

(b) what has been the impact of increasing import of fertilisers, foodgrains and crude oil on the foreign exchange reserves?

THE MINISTER OF FINANCE (SHRI Y.B. CHAVAN): (a) On the 2nd November 1973, the foreign balances of the Reserve Bank of India stood at Rs. 389.6 crores. After excluding valuation gain amounting to Rs. 54.8 crores arising from exchange rate fluctuations, this means a fall of about Rs. 41 crores since the beginning of the current financial year. Besides this foreign exchange, the Bank held Rs. 182.53 crores of Gold. Holding of SDRs on 2.11.73 amounted to Rs. 183.94 crores.

(b) Balance of payments data are not yet available and therefore the full impact of imports of the commodities mentioned cannot