

Direct tax arrears

1369. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the direct tax arrears have mounted to an all-time high at more than Rs. 85,000 crore;

(b) whether most of the tax demands are locked up in litigation; and

(c) whether Government are likely to approach courts for speedy disposal of tax cases and if so, whether this will entail setting up of fast-track courts specially for tax cases?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Yes Madam.

(c) The Government has already made it obligatory for ITAT to dispose of appeals, where stay has been granted, within 180 days of the grant of stay. Moreover, the powers of the Commissioner (Appeals) to set-aside an appeal have been withdrawn. Requests are also being regularly made to Courts for early disposal of appeals where large demands are locked up.

A proposal for creation of National Tax Tribunal is also being examined by the Government.

Eligibility for fresh loan

1370. SHRI SHARAD ANANTRAO JOSHI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that under the existing rules farmers with outstanding loans are not eligible for fresh loans;

(b) if so, the details thereof;

(c) whether the funds available with bank remain unutilized because of outstanding loans against farmers; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (d) There are no instruction from RBI that the farmers with outstanding loans should not be granted fresh loans. However, if a loan account has become Non-Performing Asset (NPA),

banks generally do not extent fresh finance to such defaulter farmers. The agriculture credit disbursed by the banks has been recording a steady increase over the years as indicated below:

Year	Amount (Rs. in crore)
1999-2000	46,268
2000-01	52,827
2001-02	62,046
2002-03	69,560
2003-04 (Estimated)	80,000

Government has announced a programme on 18.06.2004 to double the flow of agriculture credit in the next three years. The packages announced also includes the following relief measures:

1. Debt restructuring/reschedulement and fresh loans for distressed farmers;
2. One Time Settlement (OTS) Scheme for Small and Marginal Farmers;
3. Fresh finance for farmers whose earlier debts have been settled through compromise or write-offs;
4. Relief measures for farmers indebted to non-institutional lenders.

Transaction cost of banks

†1371. SHRI RAMADHAR KASHYAP: Will the Minister of FINANCE be pleased to state:

(a) whether there is a need to reduce the cost of transaction by the rural and urban banks to ensure loan at lower rates to the rural and agricultural customers;

(b) whether there is a need to make improvement in the loan system by the public sector banks to provide easy loan to the customers;

(c) if so, the steps these banks are taking to achieve the above objectives; and

(d) if no, the reasons therefor?

† Original notice of the question was received in Hindi.