

[Translation]

Dr ABRAR AHMED Mr Speaker Sir I would like to inform the hon Member in response to the issue of capacity raised by him that definitely sickness in industries emerges due to certain factors like lack of capacity utilisation market and demand conditions This is the reason why the cases of sick industries are referred to BIFR

[English]

SHRI CHITTA BASU The Ministry of Finance does recognise the necessity and the urgency to go into the entire question of the jute industry not in West Bengal but also in Bihar and Andhra Pradesh because this industry was once very much promising and flourishing Now the JMC is going to the dogs now it is going to be closed as a matter of fact Therefore does the Government propose to have a special committee of the jute industry so that the financial need of the industry can be properly ascertained and necessary follow up action taken by other related Ministries?

[Translation]

DR ABRAR AHMED Mr Speaker Sir the hon Member rightly stated that jute mills are functioning in other States too besides West Bengal In all there are 73 jute mills and out of these 59 are functioning in West Bengal All the jute mills of West Bengal have been referred to BIFR and out of remaining 14 which are outside West Bengal 8 have been referred to BIFR All these referred jute mills are sick and I accept the assertion of the hon Member in this regard Out of 59 jute mills of West Bengal 9 are lying closed and out of those which are outside West Bengal 5 are lying closed Earlier I referred to the Committee and the measures taken in this regard like concessions given by the State Governments including West Bengal

SHRI S M LALJAN BASHA Mr Speaker Sir a famous jute mill of Andhra Pradesh Shri Bajrang Jute Mill is lying closed and the case of this mill is also pending with BIFR However nothing has been done till date and as a result 3000 workers have been rendered unemployed Lot of delay is taking place in the cases pending with BIFR and whenever we approach BIFR, v- are informed that the Judge is not present

MR SPEAKER Is the Government doing anything to remove delay in settlement of cases referred to BIFR?

SHRI S M LALJAN BASHA Sir a number of difficulties are faced in banks too because banks are not coming forward to give any assistance While the mill owners sell whole the goods but the workers are sitting idle I raised this matter last year too and

MR SPEAKER You raised an important issue but please do not overemphasise your point

SHRI S M LALJAN BASHA Mr Speaker Sir they submit that for want of Judges delay takes place

DR ABRAR AHMED Mr Speaker Sir it is a fact that the Shri Bajrang Jute Mill of Andhra Pradesh which has been referred by the Hon Member has been lying closed since 19th March 1991 and 2400 workers have been rendered unemployed as a result thereof However the case is pending with BIFR There cannot be two opinions about delay Sir through you I would like to inform the Hon Member that till date 1895 cases in all have been referred to BIFR and out of these 1378 cases have been registered Out of these 1378 cases 268 were dismissed as not maintainable 119 were under the category approved under section 72 295 were those which were sanctioned under section 84 and 221 cases were covered under section 21 as winded up recommendation This way in respect of 909 units action was taken under various sections

I do accept that in respect of certain units delay does take place and I am myself a sufferer of the same As a Member of Parliament I also used to raise questions regarding Jaipur Udyog of Sawai Madhopur The Government is continuously pondering over how best to minimise time delays or to improve the situation

[English]

Agricultural and Rural Debt Relief Scheme

*342 DR. K. D. JESWANI

SHRI HARISINH CHAUDA

Will the Minister of FINANCE be pleased to state

(a) whether the Agricultural and Rural Debt Relief Scheme, 1990 has come to an end

(b) if so, the reasons therefor

(c) whether the Government propose to formulate any other such scheme to give more benefits to farmers, and

(d) if so, the details thereof?

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) A statement is laid on the Table of the House.

STATEMENT

(a) and (b) Yes, Sir. The Agricultural and Rural Debt Relief Scheme, 1990 came to close on 31st March, 1991. The Scheme was a one time measure for relieving the debt burden of farmers and landless agricultural labourers who had taken loans for agriculture and allied activities as also artisans and weavers of rural areas who had taken loans for their vocational requirements from Public Sector Banks, Regional Rural Banks and Cooperatives.

(c) and (d) There is no proposal to introduce any such scheme. The endeavour is to revitalise the rural credit system and develop a healthy recovery climate for recycling of the loans.

[English]

DR. K. D. JESWANI: Hon. Speaker, Sir, the ARDR was a short-lived scheme which gave some relief to about 350 lakh of beneficiaries. At that time all the States had also cooperated fully well.

Apart from benefiting some poor farmers and artisans, a big lot of similar debt laden farmers and artisans were expecting their turn to come, but this has not happened as it has created a lot of discrepancies in their minds. Actually speaking, such a scheme would be very much a call of the time for such beneficiaries, when during the last two years the condition of the small and marginal farmers is much more pitiable.

It is stated in the Statement, 'for reducing the rural credit system and recovery that system is going to take a pretty long time', so ultimately it will mean denying the direct benefit. May I, therefore, like to know from the Hon. Minister whether in the present perspective the government plans to have some such scheme which will reduce the burden of the debt on the rural farmers and poor artisans to make them utilise the benefits of harvesting for the next season?

[Translation]

DR. ABRAR AHMED: Mr. Speaker, Sir, the question of the Hon. Member whether the

Government has formulated any such scheme has two parts. However, the question regarding the scheme is totally different because benefiting farmers and artisans is altogether a different issue. It is the endeavour of the Government to work for the benefit of the farmers and artisans. There is not one but many schemes like Jawahar Rozgar Yojana and other schemes through which the government is trying to ameliorate the lot of the farmers. However, the Government is not going to launch any such scheme mentioned by the Hon. Member. Loan waiving scheme was launched under a specific programme. Further, I would like to submit that public money flows in a cycle. Money again flows back to the banks and the farmers and labourers in need can again borrow money. However, if the money given as loan is not recovered but waived then how can the cycle function?

Even recovery rates are minimal and these also differ from bank to bank. Recovery rate of SBI is 23.2 and if the money pooled in by the government is substituted and removed then the rate comes to 23.2. Recovery rate of State Bank of Bikaner and Jaipur is 9.7 and of State Bank of Hyderabad is 27.3 and of State Bank of Indore is 9.9. Similar is the position of other Banks, the rate is also very low in them. If such a scheme is continued then it will be quite difficult for the Banks to function in the absence of recycling of money.

[English]

DR. K. D. JESWANI: About Rs. 1250 crore balance is yet to be released by the Government of India as against this scheme. For Gujarat an amount of about Rs. 54.40 crore is still required to be released by the Government of India. It means, about 5400 beneficiaries are still awaiting their assistance since long. The cases have still not been finalised in the last two years. The farmers are put to a great deal of difficulty and they are denied any further assistance from the banks. Many of these farmers and beneficiaries belong to the group of Scheduled Castes and Scheduled Tribes. This is my personal experience too.

Would the Hon. Minister, in this perspective, like to respond as to when these amounts for Gujarat would be released to the farmers, artisans and beneficiaries?

[Translation]

DR. ABRAR AHMED: Mr. Speaker, Sir, I am unable to understand how the Hon. Minis-

ter has worked out this figure about recovery etc Sir through you, I would like to apprise the hon Minister of the factual position Under the said scheme a sum of Rs 707.81 crore was given to the beneficiaries Debt relief given by PSB and RRBs stands at Rs 2785.44 crore and Rs 786.69 crore respectively Debt amount of Cooperative Banks stands at Rs 294.34 crores So the liability of the Centre was of Rs 5666.47 crores The Central Government made a provision of Rs 1500 crore in its first Budget In the final Budget a provision of Rs 425 crore was made In 1992-93 Rs 1500 crore was provided and in 1993-94 Rs 500 crore was set aside Therefore in all the Centre has set aside Rs 4925 crore Out of which Rs 420 crore was not provided In total Rs 4505.4 crore has been disbursed and the difference is of Rs 1000 Banks have been asked to prepare final appraisal report After this the Central Government will not provide funds on account of interest and compound interest and the money provided by DGICR Only after final review clear picture will emerge This way Rs 1000 will be saved For rest of the amount provision has been already made in the Budget The Central Government is nearly freed of its responsibility

DR K. D. JFSWANI What about Gujarat?

MR. SPEAKER You can give in writing about Gujarat

SHRI SUDHIR SAWANT The practice of writing off of loans should be discontinued from the banking system and this should not be started again In 1990 scheme a mandatory condition was incorporated But it was not extended to whole of the country Wherever this scheme is in vogue is not being implemented

[English]

MR. SPEAKER It is for the entire country

[Translation]

SHRI SUDHIR SAWANT I am talking of country as a whole

[English]

MR. SPEAKER He may not have the information because this question relates to the entire country From general if you come to the specific the Minister may not have the reply

SHRI SUDHIR SAWANT I am coming to the general only

[Translation]

It has been implemented in different forms in various parts of country Only the rich farmers were provided relief under this scheme and the small farmers, with low income, were not provided any relief Therefore, this condition should be reviewed and withdrawn I would like to know whether the Government will take any decision to benefit the farmers not covered under this scheme or for providing them relief in a different manner?

DR. ABRAR AHMED Mr Speaker Sir in reply to the main question I submitted that this scheme has been totally abandoned At the time of implementing the loan waiving scheme some criteria were fixed If the Hon Member would like to know it then I am willing to come out with all these criteria

[English]

SHRI SOBHANADREESWARA RAO VADDE Mr Speaker Sir as per the guidelines given by the Union Government in respect of the Agricultural and Rural Debt Relief Scheme 1990 it is the bank authorities who have to inform the eligible beneficiary farmer the amount he owes and the amount that is being written off, and if still some more amount is to be paid by him to clear the account So this responsibility to inform the farmers has been fixed upon the bank officials Sir some eligible small farmers belonging to Scheduled Castes and Scheduled Tribes could not avail this benefit because they were not informed in time before the scheme was closed I had brought one such case to the notice of the Hon Finance Minister There may be few other cases in respect of the other parts of the country also I would like to know from the Minister whether the Government will consider such few cases and give the benefit to those farmers

MR. SPEAKER Please do not make a speech Kindly come to the question

SHRI SOBHANADREESWARA RAO VADDE Sir I am told that the Government of India owes some money to the Andhra Pradesh Government Will the Government take necessary steps immediately to release this amount?

[Translation]

DR. ABRAR AHMED : Mr. Speaker, Sir, in response to the question of the Hon. Member I would like to submit that the number of identified borrowers was 3.21 crore and the number of those to whom certificates were issued was 3.16 crore only. In fact the percentage of borrowers to whom certificates were issued was 99.87 of the identified borrowers. I would also like to inform the Hon. Member that there is not much difference between the identified borrowers and actual beneficiaries. However, if during implementation or identification stages some persons did not come out with anything then it would be difficult to say anything about them right now. (Interruptions)

[English]

MR. SPEAKER : This is very wrong. This lowers the dignity of the House. You are not sitting in a primary school or a Panchayat to shout like this. You should realise that this question was asked from this side only.

SHRI PRITHVIRAJ D CHAVAN : Sir, first of all I would like to draw your attention to part (a) of the question and to the reply given by the Minister. The part (a) of the question is Whether the Agricultural and Rural Debt Relief Scheme, 1990 has come to an end; and the reply is The Agricultural and Rural Debt Relief Scheme, 1990 came to close on 31st March, 1991. Sir, if you look at the RBI Report, section 2.63, it says that the Agricultural and Rural Debt Relief Scheme, 1990 came to a close on 30th June, 1991. Either the reply given by the Minister is incorrect or the RBI Report for 1991-92 is incorrect. One of the two has to be wrong. The Finance Minister does not seem to know exactly when the scheme really came to an end.

I will come to my question now. Sir, a total sum of Rs. 7800 crore was sanctioned for disbursement under this scheme. The Minister has just replied that this amount was reimbursed to the PSU banks, NABARD, rural banks and co-operative banks in three phases—Rs. 1425 crores; Rs. 1500 crores and Rs. 500 crores. When this scheme came into being, there was a clear understanding that they will be reimbursed immediately. Now there had been a delay in reimbursement. My question is : whether these banks will be reimbursed the amount of interest loss that they had incurred because of the delay in reimbursement by the Central Government.

[Translation]

DR. ABRAR AHMED : Just now, while giving reply to the supplementary question, I had given the figures as to how much funds the Central Government was to provide and how much they have provided. So far as the question of not giving of Rs. 1000 crores is concerned, I have already given the reasons for it. With regard to the question asked by the Hon. Member, I would like to submit that an amount of Rs. 2785.44 crores has been provided through Public Sector Banks, Rs. 786.69 crores through Regional Rural Banks and Rs. 4188.68 crores through Co-operative Banks. Thus the total amount provided comes to Rs. 7760.85 crores. In this regard, the amount paid by Public Sector Banks and Regional Rural Banks was fully reimbursed by the Central Government whereas the reimbursement made to Co-operative Banks was 50 per cent, and provision was made to provide the remaining 50 per cent through NABARD. In this way, the entire amount was tabbed. As I have already submitted out of the total amount, the Central Government had the liability of Rs. 5866.47 crores. Budgetary provision of Rs. 4925.00 crores has been made out of which Rs. 4505.00 crores have already been provided. The difference of about Rs. 1 crore that has not been provided, is because the banks have collected the money through penal interest, interest, DSIDC etc. Had this rule not been applied to them, how the banks which were not in a position even to pay the principal, could manage to collect interest. This plan was formulated not to benefit the banks. Real appraisal means real appraisal of bank money thereafter decision could be taken. Banks cannot be permitted to get money from DSIDC, interest, penal interest and all that. It was not a scheme for the benefit of banks but for the upliftment of poor.

SHRI CHETAN P. S. CHAUHAN : Mr. Speaker, Sir, the Hon. Minister said that this scheme has caused loss. However, I may remind the Hon. Minister that debt release scheme had been introduced through loan Mela by a Congress Minister. Today, it is being said that the number of wilful defaulters has increased to 20 per cent. The evil tendency is fast spreading. I would like to know from the Hon. Minister that keeping in view the fact that since it has caused loss to Rural Banks, Public Sector Banks etc. or the banking industry in general whether the Government proposes to make a provision so that this type of schemes which cause loss to banks are not implemented.

DR. ABRAR AHMED Mr Speaker, Sir, the Hon Member said that it has caused loss to the government. I would like to tell him that rather it caused loss to the system. The way the banks faced recession, recovery was delayed, cycling was discontinued and there were difficulties created in giving loans to people proves that it is failure of the system and not of the Government

Secondly, the Hon Member has referred to wilful defaulters. A few days ago, I had myself piloted a Bill in regard to debt-recovery. The Government proposes to enact a law to recover money particularly from wilful defaulters. The Hon Members made very good suggestions during the discussion, and I gave reply to all of them. The Government will make all out efforts to recover money from wilful defaulters

[English]

MR. SPEAKER We cannot continue like that. We have covered only two questions in forty minutes. (Interruptions)

MR. SPEAKER You can give me a notice for Half-an-Hour discussion, if you like

Indo-China Cooperation

*343 SHRI ARVIND TULSHIRAM KAMBLE Will the Minister of PLANNING AND PROGRAMME IMPLEMENTATION be pleased to state

(a) whether India and China have agreed to maintain regular bilateral co-operation in the field of planning as discussed by the Deputy Chairman, Planning Commission during his visit to China in June, 1993

(b) if so the details of the issues discussed during the visit, and

(c) the outcome of the visit?

THE MINISTER OF STATE OF THE MINISTRY OF PLANNING AND PROGRAMME IMPLEMENTATION (SHRI GIRIDHAR GOMANGO) (a) to (c) During the Deputy Chairman's visit to China and his discussions with the State Planning Commission there both sides expressed the desire to exchange delegations and experience in the field of planning. Issues discussed also included the desirability of increasing bilateral trade and economic co-operation between the two countries. The outcome of the visit was an agreement in principle to strive towards these objectives

[Translation]

SHRI ARVIND TULSHIRAM KAMBLE Mr Speaker, Sir, the Deputy Chairman of Planning Commission Shri Pranab Mukherjee had gone to China in June, 1993 and exchanged views in regard to maintaining regular bilateral relations between India and China in Planning. I would like to ask the Hon Minister whether Shri Mukherjee during his discussion with the Deputy Chairman of Planning Commission of China also discussed the matters related to Planning system in the two countries and the new economic policy of India?

[English]

MR. SPEAKER I think the reply is in the affirmative

SHRI GIRIDHAR GOMANGO Sir, this was discussed

MR. SPEAKER The reply is yes

[Translation]

SHRI ARVIND TULSHIRAM KAMBLE Is it true that Shri Mukherjee made an offer to supply oil, granite, plywood, electrical fittings, construction material etc on a large scale to China? Does the Hon Minister have any information in this regard?

[English]

SHRI GIRIDHAR GOMANGO Sir although the volume of trade between the two countries is still insignificant, they have agreed to step up bilateral trade. In the discussion India may offer construction material like granite, plywood etc.

MR. SPEAKER The reply is yes.

[Translation]

Investments in UP and Bihar

*344 †SHRIMATI SHEELA GAUTAM }
SHRI RAJESH KUMAR }
Will the Minister of FINANCE be pleased to state

(a) whether proposals from the Governments of Uttar Pradesh and Bihar for making adequate investments in these States by the Unit Trust of India and the Life Insurance Cor-

poration and investments out of the funds raised through Indira Vikas Patras and Kisan Vikas Patras are pending with the Union Government, and

(b) if so, the details thereof and the time by which a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) (a) No Sir

(b) Does not arise

SMT SHEELA GAUTAM Mr Speaker Sir I would like to know from the Hon'ble Minister through you how much money was collected in Uttar Pradesh and Bihar under the schemes Indira Vikas Patra and Kisan Vikas Patra floated by the government as well as under UTI and LIC Besides it, how much amount out of the total deposit was given by the State Governments and by the Organisations

DR. ABRAR AHMED Mr Speaker, Sir till 1991 funds were invested in Indira Vikas Patra and Kisan Vikas Patra through UTI and after that this investment was stopped The main reason behind this was that UTI could only have invested within its limited funds and it could get at least 16 percent interest on it The amounts invested in Uttar Pradesh in 1988-89 1989-90 and 1990-91 were Rs 50 crores, Rs. 100 crores and Rs 329 crores respectively Do you want to have information regarding U P only or you want information about any other states too?

SMT SHEELA GAUTAM I want information about both Bihar and Uttar Pradesh

DR. ABRAR AHMED The amounts invested by UTI in Bihar in 1988-89, 1989-90 and 1990-91 were Rs 25 crores, Rs. 70 crores and Rs 32 crores respectively The Hon'ble Member asked about LIC also LIC does not directly invest under small savings. It has its own way of investment and a certain percentage is fixed for different items. It invests 25 percent in the bonds floated by the Central Government, 25 percent in the bonds floated by the State Government, 25 percent in the social area such as housing, water supply, power supply etc. and the rest amount is invested in the share bonds and debentures of Companies. It has no provision of investing under small savings If the Hon'ble Members want to know about the

investment made by LIC in both the States for housing, I have relevant data of the investment made in Uttar Pradesh In 1988-89, Rs 10.32 crores were sanctioned and disbursed In 1989-90, Rs 10.56 crores were sanctioned and disbursed In 1990-91, Rs 10.56 crores were sanctioned and out of it Rs 10.34 crores were disbursed. Similarly, the figures of investment made under different items till 1992-93 are available with me If the Hon'ble Member wants, I will send it to her or I can read it here. I have also the figures of investment made in Bihar and Uttar Pradesh under water supply, electricity supply and transport during the years 1988-89 to 1992-93 If the Hon'ble Member wants, I will send it to her

SMT SHEELA GAUTAM Mr Speaker Sir, in response to the information given by the hon'ble Minister, I would like to know the details of the organisations in which and terms on which these investments were made and also the names of the projects.

MR. SPEAKER No, this will make the question very lengthy You give it in writing

SMT SHEELA GAUTAM Are you saying this because of the lengthy reply given by the Minister?

MR. SPEAKER No, others should also be given the opportunity to ask.

SMT SHEELA GAUTAM Please tell us what we should do now?

MR. SPEAKER I will ask your whip to take your training classes

SMT SHEELA GAUTAM It will be better if you yourself take classes

SHRI RAJESH KUMAR Mr Speaker, Sir one of the main reasons behind non-investment of capital in the States is that the Government instructors are being grossly violated in government undertakings If it is so, what steps the government is going to take in this regard?

DR. ABRAR AHMED No, Sir

SHRI NITISH KUMAR Mr Speaker, Sir, the hon'ble Minister is aware that the credit deposit ratio in Bihar is much less than the national average of 40 According to the figures given about UTI, it is clear that the investment made in Bihar is inadequate whereas, the housing power and other sectors there, require investment. In view of all these things, I would like to know whether the government propose to