

the Income Tax Department during the last 3 financial years 1992-93, 1993-94 and 1994-95 and the surplus accrued to the Government on sale of properties in this period are given in the attached statement.

(c) Yes, Sir.

(d) The Public Accounts Committee has given recommendations for extending the coverage of the scheme, plugging of certain loopholes noticed in the working of the scheme and making amendments in the law with a view to incorporating the principles laid down by the Supreme Court while upholding the constitutional validity of the scheme. Some recommendations on procedural points have also been given by the Committee.

(e) Some recommendations of the Public Accounts Committee have already been accepted by the Government. Some other recommendations of the Committee are receiving attention of the Government.

STATEMENT

S. No.	State/ Union Territory	No. of purchase orders made by the Appropriate Authority of the Income Tax Department in the Financial years 1992-93, 93-94 & 94-95	Surplus accrued to the Govern- ment on sale of properties in the period mentioned in Column (3) (Rs. in crores)
(1)	(2)	(3)	(4)
1.	Maharashtra	242	103.65
2.	Gujarat	39	4.07
3.	Bihar	4	-
4.	Madhya Pradesh	1	-
5.	Uttar Pradesh	18	0.62
6.	Karnataka	23	2.28
7.	Andhra Pradesh	4	-
8.	Kerala	2	0.56
9.	Tamil Nadu	14	0.99
10.	Rajasthan	3	0.22
11.	West Bengal	8	1.43
12.	Haryana	5	-
13.	Delhi	42	6.95
14.	Chandigarh	2	0.48

Rural Credits

*637. SHRI SOBHANADREESWARA RAO VADDE: Will the Minister of FINANCE be pleased to state

(a) whether the Government are aware that the rural credit being made available at present is much below the desired level; and

(b) if so, the steps proposed to be taken to make available more credit to rural areas to increase the productivity and to activate the rural economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE : (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) The Working Group of Planning Commission has estimated that the credit requirements for agriculture and allied activities in the 8th Plan would be Rs. 105790 crores. The requirements of rural credit are also reflected in the annual credit plans prepared for the districts. Credit is made available through the network of branches of commercial and regional rural banks and through cooperatives.

For the years 1992-93 and 1993-94, the disbursement of credit in rural areas is Rs. 15168 crores and Rs. 17337 crores respectively.

(b) Some important measures taken to strengthen the rural credit system are given in the attached statement.

STATEMENT

Measures Taken to Strengthen and Streamline the Rural Credit System in the Banks

- Advances to priority sector, which include agriculture, village and cottage industries, artisans, trade etc should be at least 40 per cent of net credit
- Advances to agriculture should be at least 18 per cent of net credit (within the overall target of 40 per cent).
- Advances to weaker sections (i.e small and marginal farmers, SC/ST, Integrated Rural Development Programme (IRDP) beneficiaries, Differential Rate of Interest (DRI) beneficiaries etc.) would be at least 10 per cent of net bank credit (within the overall target of 40 per cent).
- Disposal of loan applications upto Rs. 25,000 within a fortnight and those over Rs. 25,000/- within 8 to 9 weeks.
- Delegation of appropriate sanctioning powers to the rural branch managers so that majority of loan applications from weaker sections are sanctioned at branch level itself.
- No collateral security should be taken by way of mortgage of land/charge on land or third party guarantee on crop loan upto Rs 15,000/- and term loan upto Rs. 10,000/ where moveable assets are created. The limit is Rs. 5,000/- where immovable assets are created.
- No margin is required for agricultural loans upto Rs. 10,000/- for short term, medium/ long term.

8. Banks were advised that with a view to promoting investment in agriculture, particularly in the high-tech areas such as aquaculture, floriculture, tissue culture, there should be at least one specialised branch of a commercial bank in each State (set up by the convenors of the respective State Level Bankers' Committee) to adequately deal with high-tech agricultural loans.

R.I.D.F. 9. A Rural Infrastructural Development Fund has been established R.I.D.F with NABARD. The contribution to this fund come from the Commercial Banks which will be required to contribute in amount equivalent to the bank's shortfall in achieving, the priority sector target for agriculture lending, subject to a maximum of Rs. 1.5 per cent of the bank's net credit. The Fund will be used to provide loans to State Government and State owned Corporations for completing ongoing projects relating to medium and minor irrigation, soil conservation, watershed management and other forms of rural infrastructure.

LINE 10. NABARD has opened exclusive line of credit OF CREDIT TRIBAL DISTRICTS amounting to Rs. 400 crores for 114 tribal districts through out the country. This line of credit is available to Cooperatives and RRBs. NABARD has earmarked Rs. 150 crores for providing refinance to banks for loans granted to SC/ST beneficiaries.

R.R.B.11. 40 Regional Rural Banks (RRBs) from all over the country have been selected by GOI for comprehensive restructuring. Funds for cleansing the balance sheets of these banks as well as augmenting their liquidity are proposed to be released to these banks in the form of equity.

Coop-12. To streamline the working of the State Cooperative Institutions, NABARD has asked the SCBs and SLDBs to prepare specific development action plans. NABARD is also entering into Memorandum of Understanding with the concerned State Governments and the Apex Cooperative Institutions. It is expected that this exercise would result in better functioning of the cooperative Institutions.

13. Khadi and village industries provide crucial non-farm earning opportunities to rural population. A new scheme will be established under which the banking system will provide Rs. 1000/- crores on a consortium basis, through the Khadi and Village Industries Commission (KVIB) which will lend to viable khadi and village industry units either directly or through the State Level Khadi and Village Industries Boards (KVIBS). The Central and

State Governments will guarantee these loans by commercial banks to KVIBs and KVIBS respectively.

14. The handloom sector employs millions of poor weavers. At present, NABARD refinancing to this sector is restricted to the flow of credit through the District and State Cooperative Banks. Henceforth, NABARD will extend refinancing to commercial banks also for extending credit to cooperative handloom Institutions.

15. With a view to help small scale industry which employs 14 million workers and account for 40 per cent of total manufacturing output and 35 per cent of our exports, a Technology Development and Modernisation Fund will be established in the Small Industries Development Bank of India (SIDBI). The initial amount earmarked for this Fund will be Rs. 200/- crores.

16. A National Equity Fund Scheme was established in 1987 to provide equity assistance to tiny small scale units with projects of less than Rs. 10 lakhs and located in places with a population of not exceeding 5 lakhs. It is proposed to extend this Scheme to all its small scale units irrespective of their location except for units in Metropolitan areas. The scheme, which is managed by SIDBI, will continue to be funded by the Central Government and SIDBI on 50:50 basis.

17. Adequate availability of credit from the banking system is critical for the small scale sector. The Government, in consultation with banks, has formulated a Seven Point Action Plan for improving the flow of credit to this sector. A key feature of the Plan is the setting up of specialised bank branches to serve the needs of small scale units in 85 identified districts, each with more than 2000 registered small scale units. The public sector banks will ensure that 100 such dedicated branches are operational before the end of 1995-96.

18. With a view to accelerating industrial development in the North-Eastern Region, a new North Eastern Development Bank (NEDB) is being established to finance creation, expansion of industrial enterprises and infrastructure projects in the region. The Bank will be located within the region. It will have an authorised capital of Rs. 500 crores. Initial contribution to capital will be provided by All India Financial Institutions such as IDBI, ICICI and UTI, providing scope for contribution from other investors subsequently.