

(c) the stand taken by India at this meeting; and

(d) how U.S. leading a block mostly industrialised countries blocked the efforts to launch a new round of world trade talks ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.A. SANGMA) : (a) to (d) At the GATT Council Meeting held in Geneva on 17th and 18th July, 1985 the question of convening a meeting of Senior officials to hold preliminary discussions on a possible new round of multilateral trade negotiations was discussed. India as well as a few other developing countries felt that the meeting of the Senior officials in GATT should discuss the issues relating to negotiations on trade in goods only. The major developed countries on the other hand did not wish the parameters of the meeting to be defined as their intention is to cover inter-alia the services sector in the negotiations even though it is outside the jurisdictional competence of GATT. No agreement could, therefore, be reached on the convening of a meeting of Senior Officials.

Pre-take over liabilities of taken over units of West Bengal

3659. SHRI NARAYAN CHOUBEY : Will the Minister of FINANCE be pleased to state :

(a) whether Government propose to pay for or take the pretake over liabilities of the takenover units of West Bengal;

(b) whether easy and more assistance from the Reserve Bank of India and other banks and financial institutions will be made available to the sick and closed industrial units of West Bengal for their revival; and

(c) whether freight equalisation policy will be abolished by Government and/or some benefits be extended to carry raw materials of national importance ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) According to

the current policy of the Government, in the event of nationalisation of industrial units taken over under the Industries (Development and Regulation) Act, 1951, the entire pre-take over dues, including interest, of banks and financial institutions are required to be fully protected by the Government nationalising the unit. This policy is uniformly applicable to all cases of nationalisation of industrial units either by the Central Government or by any of the State Governments.

(b) In accordance with the policy of the Government, banks and financial institutions are expected to carry out viability studies of sick industrial units & nurse such of those units as are considered potentially viable. In the case of viable sick units, banks and institutions are expected to formulate suitable rehabilitation programmes, which may consist of grant of need-based credit facilities and concessions such as reduced rate of interest, lower margin, funding of overdue interest and rescheduling of past dues, etc. depending upon the merits of the individual case. The viable sick industrial units in the State of West Bengal which may be taken up for rehabilitation would also receive such assistance and be extended such concessions as may be warranted by the merits of each individual case.

(c) In the light of recommendations made by the National Transport Policy Committee (Pande Committee), it has been decided by the Government to phase out gradually the existing freight equalisation in respect of commodities like cement and steel subject to subsidisation of transport for remote, inaccessible and isolated areas.

Supply of Coal to Maharashtra

3660. SHRI ANOOPCHAND SHAH : Will the Minister of STEEL, MINES AND COAL be pleased to state the total quantity of coal allotted to Maharashtra particularly for greater Bombay during 1984-85 ?

THE MINISTER OF STEEL, MINES AND COAL (SHRI VASANT SATHE) : No allotment is made by the Union

Government for different States, except in the case of soft coke supplies. The supplies of coal are made by both rail and road. The movement of coal by rail takes place within the ceiling limits fixed by the Railways for the various sponsoring authorities. In addition to the ceiling limits fixed by the Railways for movement by rail, Coal India Limited are permitting the sponsoring authorities to recommend additional quantities which cannot be accommodated within the ceiling limits of wagons, for movement by road.

During the year 1984-85, total quantity of 106.61 lakh tonnes of coal/coke was despatched to Maharashtra State. The despatch figures for greater Bombay alone are not readily available.

Abolition of excise duty on cement

3661. PROF. RAMKRISHNA MORE : Will the Minister of FINANCE be pleased to state :

(a) whether cement industry has urged Government for complete abolition of excise duty on cement;

(b) if so, the details thereof; and

(c) the reaction of Government thereto ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) Cement Manufacturers' Association have made a representation to the Government wherein a request has, *inter-alia*, been made for complete exemption from excise duty for cement units coming into production during the Seventh Plan period, for the initial period of 10 years.

(c) The representation of the Association has been referred to the Bureau of Industrial Costs and Prices, who are looking into the various issues raised by the Association, in their representation, including the request for exemption from excise duty.

Performance of banks priority lending

3662. KUMARI PUSHPA DEVI : Will

the Minister of FINANCE be pleased to state :

(a) whether there is a need to improve the performance of banks in the sphere of priority lending, direct finances, for agriculture and lending to the weaker sections;

(b) if so, the system evolved and guidelines sent to the banks in this direction; and

(c) the programme of Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) The Reserve Bank of India has laid down norms for lending to priority sector, direct finance for agriculture and lending to weaker sections. The advances to priority sector have increased from Rs. 441 crores in 1969 (i.e. at the time of nationalisation) to Rs. 17971 crores at the end of March '85. This constitutes 41.3% of the total bank credit as against 14.6% in 1969. Performance of public sector banks in lending to priority sector and sub-sectors was as follows as at the end of March, 1985 :—

	(Rs. in crores)
(i) Outstanding advances to the priority sector	17971.14
% to total credit	41.3
(ii) Outstanding direct advances to agriculture	6161.72
% to total credit	14.2
(iii) Outstanding advances to weaker sections	4072.19
% to total credit	9.4

Based on recommendations of a Working Group on the Role of Banks in implementation of 20 point programme, RBI had advised the banks to achieve the following targets for priority sector lending:

(i) Banks should attain by March, 1985 a level of 40% of the credit to priority sector (which has been achieved).