(c) Out of the above funds, an amount of Rs. 4.98 crores and Rs. 0.75 crores has been allocated to NTC (Guj.) Ltd. during the years 94-95 and 95-96 respectively.

Fiscal Deficit

950. SHRI SYED SHAHABUDDIN :
SHRI SANAT KUMAR MANDAL :

Will the Minister of FINACE be pleased to state :

(a) the actual fiscal as percentage of the GIP, during 1994-95;

(b) the debt service payments, internal and external, as proportion of total tax receipts during the year;

(c) the debt service payments on foreign debts as proportion of additional external assistance and loan during the year;

(d) whether the World Bank has cautioned the Government against the rising fiscal deficit and debt service charges; and

(e) the steps taken by the Government to bring the debt situation under control during the current year?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) The actual fiscal deficit in 1994-95 will be known after the accounts for the year are finally closed. At the Revised Estimates stage it was 6.7% of GIP.

(b) In the Revised Estimates 1994-95 the total provision for debt servicing was Rs. 106258 crore. This represented 163.5% of the Centre's share of the tax revenue in the Revised Estimates. It may, however, be added that interest payment element in the debt service is met from Revenue receipts, which comprises both tax and non-tax revenues, while repayments are met from fresh borrowings.

(c) The provision made in Revised Estimates 1994-95 for servicing external debt on Government account was Rs. 9589 crore. This represented 90.4% of the additional external assistance of Rs. 10602 crore assumed in the Revised Estimates.

(d) In its Country Economic Memorandum the World Bank has commented on the rising fiscal deficit and debt service charges. The World Bank also shares the views of Government of India that the deficit of 5.5% of GDP in the Budget needs to be reduced further to facilitate growth rate of 6.5%.

(e) It is the constant endeavour of the Government to maximise the non-debt receipts and restrain expenditure to minimise the recourse to borrowings.

Credit Flow to Small Scale Industries

951. DR. P. VALLAL PERUMAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have asked the various banks to implement the seven point action plan for improving the credit flow to small scale industries; and

(b) *if so, the details thereof?*

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY) : (a) and (b) In his Budget Speech for 1995-96 FM had inter alia, mentioned that the Government, in consultation with banks had formulated a 'Seven Point Action Plan' for improving flow of credit to small scale industries (SSIs). The Action Plan consists of the following points :

(1) Time-bound action needs to be taken by banks for setting up of specialised SSI branches in 35 indentified districts each with more than 2000 registered SSI units. These branches should have adequate infrastructure and be manned by officials having the necessary background and skills and possessing the right attitude.

(2) The Banks should review the existing delegation of powers at the branch and regional levels in order to facilitate timely sanction of adequate credit facilities to SSIs.

(3) The banks should undertake sample surveys of their 'performing' SSI accounts with a view to find out whether they are getting adequate credit.

(4) Steps to ensure that as far as possible composite loans are sanctioned to SSI enterpreneurs. In case of loans sanctioned by State Financial Corporations (SFCs), banks should appraise projects jointly or simultaneously with SFCs.

(5) Banks should hold regular meetings with SSI borrowers at the zonal and regional levels with a view to sort out their problems.

(6) The banks should reorient their training programmes with a view to sensitise bank managers and increase their awareness regarding working of the SSI sector.

(7) The banks should take steps to review procedural formalities with a view to ensuring that procedures are simplified.

The Reserve Bank of India (RBI) have already instructed public sector banks to take appropriate action