

[Translation]

#### Funds for Handicraft Sector

4596. SHRI N.J. RATHWA: Will the Minister of TEXTILES be pleased to state:

(a) the funds provided by the Union Government to Gujarat Handicrafts Development Corporation for development of handicrafts like woodcraft, bronze craft, handpainting, carpet weaving, clay sculpture, pottery and bamboocrafts in the tribal areas of Gujarat during the last three years; and

(b) the number of tribal people benefitted therefrom?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):

(a) The funds released to the Gujarat State Handicrafts Development Corporation Ltd., during the last three years including in the tribal areas of Gujarat for the development of handicrafts including woodcraft, bronze craft, handpainting, carpet weaving, clay sculpture, pottery & bamboo crafts are as under:-

(Rs. in lakhs)

Year	Amount Released
1993-94	13.98
1994-95	6.61
1995-96	10.55

(b) More than 3000 tribal people have been benefitted directly from the funds released during the last three years.

[English]

#### Reduction in Cash Reserve Ratio

4597. SHRIMATI VASUNDHARA RAJE: Will the Minister of FINANCE be pleased to state:

(a) the quantum of additional funds proposed to be released on account of the announcement of reduction in cash reserve ratio and the manner in which these measures are likely to stimulate bank deposits; and

(b) whether the Government propose to further bring down the cash reserve ratio to 10% as was suggested by the Narasimhan Committee?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Reserve Bank of India (RBI) has reported that as part of the policy towards rationalisation of the Cash Reserve Ratio (CRR), with effect from fortnight

beginning July 6, 1996, the CRR of scheduled commercial banks's net demand and time liabilities was lowered from 13.0 per cent to 12.0 per cent. The reduction in CRR implies release of Rs. 4,100 crore of lendable resources of banks.

(c) RBI has further reported that in line with the recommendation of the Narasimham Committee, their medium term goal is to bring down the CRR to 10 per cent. However, CRR being an instrument of monetary control, it will need to be used flexibly, depending on the monetary situation.

#### Suggestions by IMF and World Bank

4598. SHRI SONTOSH MOHAN DEV: Will the Minister of FINANCE be pleased to state:

(a) whether the IMF and the World Bank have suggested to the Government to improve the economic conditions of States and bring down their fiscal deficit:

(b) if so, the details thereof;

(c) whether the deficit has gone up to 10 per cent;

(d) whether the panel of IMF and World Bank met the Finance Minister recently;

(e) if so, the main points discussed therein; and

(f) the steps proposed to be taken by the Government to improve the economic condition of the States?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b). The IMF and the World Bank have been generally emphasising the need for financial prudence and the need to bring down the fiscal deficit.

(c) According to the World Bank Country Economic Memorandum (CEM) 1996, the consolidated deficit of the central government, state and public enterprises amounts to about 10 per cent of GDP.

(d) and (e). The IMF Mission which visited India from 31.7.96 to 13.8.96 in connection with Article IV Consultations paid a courtesy call on the Finance Minister on 13.8.96.

(f) Steps are being taken to bring down the fiscal imbalance to a sustainable level by stressing to the States and public enterprises the importance of improving their financial performance and reducing their dependence on budgetary support.

#### Basic Minimum Services Programme

4599. DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the Prime Minister has asked his Ministry to create funds for the implementation of the minimum services programme for the poor during the current year;

(b) if so, the details thereof and the amount earmarked for the purpose; and

(c) the manner in which the above funds are proposed to be utilised?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The Chief Ministers Conference convened by the Prime Minister recommended for adoption of 7 objectives to be attained by the year 2000. These are 100% coverage of provision of safe drinking water; 100% coverage of primary health centres; universalisation of primary education; public housing assistance to all shelterless poor families; extension of the mid-day meal scheme; road connectivity to all villages and habitations; and streamlining the public distribution system targeted to families below the poverty line

(b) and (c). In the 1996-97 Budget Estimates of the Union Government, an additional amount of Rs. 2466 crore has been provided as Central assistance for States and UTs Plans over the allocation made in the Interim Budget to significantly increase the availability of funds for the above said seven Basic Minimum Services. Out of this amount, a sum of Rs. 250 crores has been earmarked for shelter and other basic amenities to slum dwellers. These funds will be utilised by the State and UTs exclusively for providing the identified Basic Minimum Services.

#### Bonds of Financial Institutions

4600. SHRI MADHAVRAO SCINDIA: Will the Minister of FINANCE be pleased to state:

(a) whether large number of financial institutions like IDBI, ICICI, SCICI, FCI are coming up with the issue of bonds in view of the cash and credit crunch;

(b) if so, the details of the bonds issued by various institutions during each of the last three years till date, scheme-wise and institutions-wise; and

(c) the details of Government's regulations or control over these Bonds?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Yes, Sir.

(b) As per information provided by the Industrial Development Bank of India (IDBI), the details of public issue of bonds by financial institutions namely IDBI, Industrial Finance Corporation of India Ltd. (IFCI), Industrial Credit & Investment Corporation of India Ltd. (ICICI) and SCICI Ltd.

and amount of funds collected during the years 1991-95, 1995-96 and 1996-97 (till date) are as under:

(Rs. Crore)

Institution	1994-95	1995-96	1996-97
IDBI	Nil	1079.00	Nil
IFCI	Nil	Nil	1250.00*
ICICI	691.35	623.67	Nil
SCICI Ltd	419.00	473.00	674.00**

\* Provisional figures

\*\* Approximate figures

(c) All public issues including debt issues are required to be made in conformity with the guidelines of Securities and Exchange Board of India (SEBI) for disclosure and investors protection. SEBI has, with effect from March 1996, dispensed with vetting of offer documents for pure debt instruments offered by listed companies subject to certain conditions.

#### Expenditure Incurred under Demurrage Head

4601. PROF. RITA VERMA: Will the Minister of COAL be pleased to state:

(a) the expenditure incurred by BCCL under the demurrage head during the last three years;

(b) the reasons for demurrages paid; and

(c) the heads under which the said demurrages has been paid?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH): (a) According to the information received from Coal India Limited, the expenditure incurred under the demurrage head by BCCL during the last three years was as under:-

1993-94	Rs. 732.81 lakh
1994-95	Rs. 679.56 lakh
1995-96	Rs. 850.23 lakh

(b) The demurrage is required to be paid when the coal companies are not able to complete the loading of a rake in the free time allowed by the railways. The reasons for such delay occurring occasionally inter-alia include the following:-

(i) Inadequate time allowed in some sidings off loading.