

Commerce and Industry and the Conseil National Du Patronat Francais, Paris was held in Paris on 3rd February, 1982. According to the report received from the FICCI, the subjects discussed at the meeting included policy on industrial collaboration and transfer of technology; review of performance of Indo-French collaboration and indentification of areas suitable for French investment; third country projects; issues relating to multi fibre arrangement and liberalisation of trade and French collaboration in the areas of technology.

(d) India and French already enjoy good relations and the visit of the Prime Minister to France has strengthened the relations and opened up further possibilities for cooperation between the two countries.

Special component plan in Mirzapur District

2157. SHRI RAM PYARE PANIKA: Will the Minister of FINANCE be pleased to state:

(a) how many block have been taken under Special Component Plan in Mirzapur District and how much money has been ear-marked for the above Component Plan for 1980-81 and 1981-82;

(b) is it a fact that money sanctioned under this plan has not been spent particularly in Mirzapur District and generally in U.P. due to non-cooperation of the lead banks; and

(c) if so, what action Government propose to utilise the sanctioned money for the upliftment of Scheduled Caste and Scheduled Tribe people;

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). The State Government has informed that although special component plan was being implemented in the entire Mirzapur district, ten blocks have been selected for intensive all-round economic development of scheduled castes. Schemes under the plan

need not necessarily depend on institutional finance and the State Government has reported that schemes for infrastructure economic development namely construction of service-cum-marketing centres, digging of blast wells for irrigation, soil conservation etc. also form part of the special component plan.

According to information furnished by State Government, as against the sanction of Rs. 63 lakhs & Rs. 68 lakhs under special component plan for Mirzapur District for the years 1980-81 and 1981-82 respectively, the expenditure has been Rs. 38,000 during 1980-81 and Rs. 5,90,000 during 1981-82 (upto January, 1982). Allahabad Bank, which is the lead bank for Mirzapur District has reported that according to available information, banks have so far sanctioned Rs. 20.59 lakhs to 668 beneficiaries under special component plan of which Rs. 16.38 lakhs to 467 beneficiaries was sanctioned by Allahabad Bank.

Reserve Bank has reported that banks in U.P. had advanced a sum aggregating to Rs. 233.28 lakhs under special component plan to 6818 scheduled caste families upto June, 1981. Outstanding advances to members of Scheduled castes and Scheduled tribes at the end of December, 1980 amounted to Rs. 3473.70 lakhs covering 2.37 lakhs accounts.

Steps for accelerating progress under the special component plan was one of the points discussed at a recent meeting of Regional Consultative Committee for nationalised banks (Central Region-comprised of the States of U.P. & M.P.) held at Lucknow on 16th January, 1982. Some of the recommendations were:

(i) Quick action by banks to open all branches for which licenses have been issued. State Government to provide all assistance for the purpose.

(ii) Integration of District Credit Plan commitments into branch budgets.

- (iii) Monitoring of performance of individual branches in lending to weaker sections.
- (iv) Better coverage by increase in number of small borrowers financed by each branch.
- (v) Support by State Government in recovery operations to enable recycling of funds leading to larger spread of benefits of bank credit etc.

These recommendations are being followed up with the implementation of the Integrated Rural Development Programme, 30 per cent of whose beneficiaries will be from Scheduled Castes and Tribes, the situation is likely to improve further.

Advances to Sugar Industry by Banking Sector

2158. SHRI R. PRABHU: Will the Minister of FINANCE be pleased to state:

(a) the details of the present credit policies pursued by Government in regard to advances to sugar industry by the banking sector;

(b) whether Government are aware that the sugar production during the current year will be substantially higher than the last year; and

(c) what are the specific measures Government propose to take to provide for the additional credit needs necessitated on account of increased production and increased payment to cane growers?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) The working capital requirements of individual sugar units are assessed by banks on the basis of their production estimates, previous season's carry over stocks, as also the anticipated monthly releases and the estimated stocks they are required to carry through the peak

period. The sugar units are expected to draw up their cash budgets well in advance of the commencement of the sugarcane crushing seasons and approach their bankers for necessary credit facilities. The credit limits are fixed on the basis of the maximum deficit projected in the cash budgets subject to availability of sufficient drawing power against sugar stocks/stores and spares. Banks are required to satisfy themselves about the unit's capacity to achieve the projections and also regulate the actual drawing the cash credit account on the basis of updated monthly cash budgets to be obtained from it, which should reflect, inter-alia, the actual quantity released for sales, the sales realisations therefrom and price paid for sugarcane. Banks are also required to monitor payment of cane price to cane growers and a portion of working capital limited is earmarked by them for this purpose.

(b) During the current seasons sugar production is expected to be around 65—70 lakh tonnes as against about 51 lakh tonnes in the previous year.

(c) Banks have been asked to spend up processing of applications for higher credit limits for sugar units and obtain prior authorisation of the Reserve Bank of India, wherever, required, expeditiously. The proposals received by the Reserve Bank of India are attended on a priority basis. According to the data collected by the Reserve Bank of India several banks, it appears that they have already been allowing suitable credit limits to sugar mills under the authority delegated to them. The Reserve Bank of India is reviewing the position with various banks and is taking bank-wise measures to ensure adequate flow of credit to the sugar industry to sustain their operations.

Joint venture minimum price Hotel

2159. SHRI GHULAM RASQOL KOCHACK: Will the Minister of