

- (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