

(c) the measures contemplated in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) Information is being collected and will be laid on the Table of the House.

[Translation]

Banking System

3116. SHRI N.J. RATHWA: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India have taken any steps to set up a monitoring system with a view to develop a rationalised banking system in the country during the last three years, till-date;

(b) if so, the details thereof; and

(c) the achievements made in this regard so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) Following steps have been taken to strengthen the monitoring of banks by the Reserve Bank of India during the last three years:

- (i) Setting up of Board for Financial supervision.
- (ii) Offsite monitoring system for banks.
- (iii) Revamping of the system of on-site inspection.
- (iv) Strengthening internal audit and inspection in banks.
- (v) Annual inspections are now being undertaken for public sector banks, foreign banks and weak private sector banks.
- (vi) Scheme for collection and dissemination of information relating to defaulters and suit field accounts.

(c) Most banks have achieved a turnaround by registering a downward trend in non-performing assets and general improvement in their overall performance.

[English]

Bank Guarantee From Sugar Exporters

3117. SHRI RAM NAIK: Will the Minister of COMMERCE be pleased to state:

(a) whether his Ministry has decided to demand 10 percent Bank guarantee from all sugar exporters;

(b) if so, the reasons therefor;

(c) whether his Ministry has also decided similar bank guarantee from the exporters of other agricultural products;

(d) if so, the details thereof; and

(e) if not, the reasons for such demand from sugar exporters?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): (a) Agricultural and Processed Food Products Export Development Authority (APEDA), an agency designated for issue of Registration-cum-Allocation Certificate for sugar exports, has fixed 5% of the F.O.B. value as performance guarantee.

(b) The condition to submit Bank Guarantee has been introduced to prevent speculative trade and cornering of quote by a few exporters and to ensure that exports actually take place against the allotted quota.

(c) and (d) Exporters of other agricultural products are required to furnish performance guarantee at the following rates:-

- (i) Milk powder, butter and ghee @ 5% of the F.O.B. value
- (ii) Coarse grains and wheat products @ 10% of the F.O.B. value.
- (e) Does not arise.

Cement Plant in Andhra Pradesh

3118. DR. T. SUBBARAMI REDDY: Will the Minister of INDUSTRY be pleased to state:

(a) whether there is any proposal from South Korea to set up Cement Plant in Andhra Pradesh;

(b) if so, the details thereof alongwith the total cost of plant;

(c) whether permission for setting up the cement plant has been accorded by the Union Government; and

(d) if so, the details thereof?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) No, Sir.

(b) to (d) The question does not arise.

Funds to State Governments

3119. SHRI R. SAMBASIVA RAO:
DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government have received any request in regard to release of funds to the State Governments to meet the financial crisis being faced by them;

(b) if so, the details thereof; State-wise;

(c) the total amount released during the last year; and

(d) the reasons for not accepting the request, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) Yes, Sir, from some of the State Governments.

(b) Statement-I is attached.

(c) and (d) Statement-II is attached.

STATEMENT-I

Ministry of Finance have received the following requests in regard to release of funds to State Govt. to meet the financial crisis being faced by them. Amounts released during 1996-97 (upto 28.2.97) are given in column 4.

Sl. No.	State	Purpose	Amount released (Rs. in crs.)	Remarks
1	2	3	4	5
1996-97				
1. Andhra Pradesh				
		(i) Additional Central Assistance of Rs. 636 crores as Additional Plan support for Annual Plan 1995-96	Not agreed to	Centre's resource constraints limit Central support for State plans
		(ii) Addl. Central assistance of Rs. 390 crs. as addl. plan support in Annual plan 1996-97	Not agreed to	--do-
		(iii) Request for ways and means advance		
		(a) to tide over their liquidity crunch	200.00	
		(b) to undertake relief measure for storms/heavy rains	26.72	
		(c) to undertake relief measures due to cyclone	50.00	
2. Assam				
		(i) Request for additional Central Assistance of Rs. 57 crs. to improve budgetary resources of the State.	Not agreed	-do-
		(ii) Request of Rs. 190 crs. for monthly salary basis	-do-	-do-
		(iii) Request for defering interest payment of Rs. 50 crs. due on 15.10.96	49.47	
		(iv) Request for reimbursement of Rs. 326 crs. excess expenditure incurred on internal security measures	under consideration with MHA	
		(v) 25 crs. as ex-gratia relief for victim of ethnic violence	agreed to	
		(vi) Request for defering for repayment of loan and interest due in Jan. and Feb '97	58.55	

1	2	3	4	5
	(vii)	Request for advance release of Central assistance		
	(a)	For September 1996	20.82	
	(b)	For October 1996	30.64	
	(c)	For November 1996	38.25	
	(d)	For December 1996	26.72	
	(viii)	Request for ways and means advance	2.00	
	(ix)	Request for advance release of share Central taxes		
	(a)	For may 1996	66.60	
	(b)	For June 1996	95.84	
	(c)	For July 1996	95.82	
	(d)	For August 1996	45.00	
	(e)	For September 1996	95.83	
	(f)	For October 1996	95.83	
	(g)	For November 1996	95.83	
	(h)	For December 1996	96.81	
	(i)	For January 1997	96.81	
	(j)	For February 1997	96.81	
	(k)	For March 1997	155.00	
3.	Haryana			
	(i)	To Convert medium term loan of Rs. 300 crores released during 1995-96 as 50% loan and 50% grant	Not agreed	Centre's Resources constraint limit Central support for State plans
	(ii)	For compensation of Revenue loss for introduction of Prohibition in the state.	-do-	-do-
4.	Himachal Pradesh			
	(i)	Request for long term soft loan of Rs. 500 crs.	-do-	-do-
	(ii)	For an outright grant or a long term loan of Rs. 800 crs. to meet recurring liabilities due to Supreme Court's Judgement as well as Punjab Pay Scale revisions, etc.	-do-	-do-
	(iii)	Request for ways and means advance	53.10	
5.	J & K			
	(i)	To release the funds of Rs. 378.50 crores on account of special plan assistance and special plan loan at the level of 1995-96.	Agreed to	

1	2	3	4	5
	(ii)	To provide special financial assistance of Rs. 351.94 Crs. to bridge the uncovered gap in the BE 1996-97	-do-	
	(iii)	Rs. 56 crores to enable them pay interim relief to State Govts. employees consequent on recommendations of 5th Pay Commission	Not agreed	-do-
	(iv)	Request for writing off outstanding loan of Rs. 1275 crores out of the total debt obligation of Rs. 2511 crores as on March 1995 (giving effect 10% loan and 90% grant from the beginning).	under consideration	
	(v)	Request for advance release of Central Assistance for:		
	(a)	May 1996	58.24	
	(c)	June 1996	116.87	
	(d)	August 1996	97.57	
	(e)	September 1996	116.87	
	(f)	October 1996	116.87	
	(g)	November 1996	116.87	
	(h)	December 1996	116.87	
	(i)	January 1997	108.12	
	(j)	February 1997	122.30	
	(k)	March 1997	50.00	
	(vi)	Request for advance release for share in Central taxes for		
	(a)	May 1996	56.76	
	(b)	December 1996	68.67	
	(c)	February 1997	68.67	
	(d)	March 1997	126.00	
6.	Manipur			
	(i)	Request for advance release of share in Central taxes for		
	(a)	May 1996	16.08	
	(b)	January 1997	19.13	
	(ii)	Request for ways and means advance	22.80	
7.	Mizoram			
	(i)	Request for long term loan of Rs. 45 crores to cover the state's opening deficit of the year 1996-97	Not agreed	Centre's resource constraint limit Central support for State plans

1	2	3	4	5
		(ii) Request for Ways and Means advance	26.25	
8.	Madhya Pradesh	Request for ways and means advance for Rs. 100 crs.	Released advance normal Central assistance of Rs. 25 crs. due in May' 96	
9.	Nagaland	(i) Request for addl. Central assistance to clear pending bills	7.11	
		(ii) Request write off of Rs. 225.98 crs. of Central loan to the State	Not agreed	-do-
10.	Punjab	Request for ways and means advance	51.10	
11.	Rajasthan	(i) Request for ways and means advance	330.70	
		(ii) Request for advance release of share in Central taxes for December 1996	143.64	
		(iii) Request for advance release of Central assistance for		
		(a) May 1996	9.00	
		(b) July 1996	37.30	
		(c) November 1996	37.30	
		(iv) Request for medium term loan of Rs. 400 crs. to bridge the gap in resources	under consideration	
12.	Sikkim	Request for ways and means advance	15.00	

STATEMENT II

Ministry of Finance have received the following requests in regard to release of funds to State Govt. to meet the financial crisis being faced by them. Amounts released during 1995-96 are given in column 4.

Sl. No.	State	Purpose	Amount Released (Rs. in crs.)	Remarks
1	2	3	4	5

1995-96

1. Andhra Pradesh

(i)	Additional Central Assistance (ACA) of Rs. 636 crores as additional Plan support for Annual Plan 1995-96.	Not agreed	Due to higher resources transfer to the State from the TFC recommendation
(ii)	Request for ways and means advance.	150.00	

1	2	3	4	5
	(iii)	Conversion of Ways and Means advances of Rs. 150 crores into Term Loan.	Not agreed	Centre's resource constraint limit Central support for State plans
	(iv)	ACA to compensate the State for revenue losses due to the implementation of Prohibition Policy and also due to implementation of Rs. 2 per Kg. Rice Subsidy Scheme.	-do-	No compensation has been given to any State for loss of revenue on account of prohibition and rice subsidy scheme of the State.
2. Assam	(i)	Request for ways and means advance.	224.00	
	(ii)	To convert Ways and Means advance of Rs. 136 given in April, 1995 into term loan.	Not agreed	Centre's resource constraints limit Central support for State plans
	(iii)	Request for advance release of share in Central taxes.		
	(a)	For May 1995	57.99	
	(b)	For December 1995	80.57	
	(c)	For January 1996	80.59	
	(d)	For February 1996	80.59	
	(e)	For March 1996	157.00	
	(vi)	Request for advance release of normal Central assistance.		
	(a)	For May 1995	78.15	
	(b)	For December 1995	78.15	
	(c)	For January 1996	78.49	
	(d)	For February 1996	79.12	
	(e)	For March 1996	3.65	
3. Himachal Pradesh		To meet State's financial requirements on account of closing deficit of Rs. 416.00 crores for 1994-95 and Rs. 100 crores on account of liability due to Supreme Court Judgement on enhancement of wages of daily-wage employees in the Government Sectors in the State.	Not agreed	Centre's resource constraints limit Central support for State plans
4. J & K	(i)	State's request of Rs. 71 crores for meeting the requirement of the State Government for interim relief to their employees on Central pattern.	42.34	

1	2	3	4	5
	(ii)	To provide additional grants of Rs. 67 crs. to the State Govt. for import of power.	Not agreed	No Central assistance is given to any State for import of power
	(iii)	Request of advance release of share in Central taxes		
	(a)	For December 1995	53.57	
	(b)	For January 1996	53.57	
	(c)	For February 1996	53.57	
	(e)	For March 1996	55.32	
	(iv)	Request for advance release of normal Central assistance.		
	(a)	For May 1995	56.80	
	(b)	For November 1995	114.00	
	(c)	For December 1995	114.00	
	(d)	For January 1996	114.00	
	(e)	For February 1996	115.13	
5.	Mizoram	Special grant in aid to the extent of Rs. 11.44 crores which is equal to the shortfall in budget estimates of Tenth Finance Commission for share in Central taxes.	Not agreed	Devolution of share in Central taxes to the States depends on actual collection of taxes and may defer from the projection made by Finance Commission
6.	Orissa	To write off loans to MOF	Not agreed	Centre's resource constraints limit Central support for State plans.
7.	Rajasthan	(i) Request for ways and means advance	90.00	
	(ii)	Request for advance release of share in Central taxes for March'96.	118.98	
8.	Sikkim	Request for ways and means advance	13.00	
9.	Tripura	Rs. 18.95 crores to meet gap between the TFC award and estimated devolution from the Government of India for 1995-96.	Not agreed	Devolution of share in Central taxes to the States depend on actual collection of taxes and may defer from the projection made by the Finance Commission.