

Share Capital to Spinning Mills

*351. DR. ULHAS VASUDEO PATIL : Will the Minister of TEXTILES be pleased to state :

(a) Whether there is any provision to provide share capital from Central Government to the Spinning Mills in the Co-operative Sector; and

(b) if so, the details of proposals received in this regard by the Union Government and Share Capital provided?

THE MINISTER OF TEXTILES (SHRI KASHIRAM RANA) : (a) Government of India provides loan assistance to the State Governments through National Cooperative Development Corporation (NCDC) for contribution to the share capital of the Cooperative Spinning Mills organised by the Handloom Weavers and Cotton Growers for modernisation, expansion and setting up of new Cooperative Spinning Mills. The Scheme for loan assistance to handloom weavers cooperative spinning mills has been discontinued with effect from 1st April, 1998.

(b) On the basis of viable proposals received till 31st March, 1998, the Government of India through NCDC have provided about Rs. 85 crores and Rs. 134 crores as loan to the State Governments for share capital participation in 50 Handloom Cooperative Spinning Mills and 46 cotton Growers Cooperative Spinning Mills respectively.

Decline in Growth Rate

*352. SHRI SUSHIL KUMAR SHINDE :
SHRI MADHAVRAO SCINDIA :

Will the Minister of FINANCE be pleased to state :

(a) whether poor budgeting and financial mismanagement by most of the Government Departments for years, have been responsible for the sharp decline in growth rate;

(b) if so, the percentage of over-spending or savings by different Government departments, over the initial estimates of expenditure during each year since 1995-96 in respect of planned and non-planned expenditure, separately; and

(c) the specific steps taken/being taken by the Government to improve the budgeting and fiscal management system.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (c) A statement is laid on the Table of the House.

Statement

(a) to (c) After achieving an average growth rate of 7.5 percent per annum in terms of real Gross Domestic Product (GDP) during 1994-95 to 1996-97 the growth rate decelerated to 5 percent in 1997-98. The deceleration in the growth rate is mainly due to a fall of agricultural value added by 2 percent in 1997-98 and a sharp slowdown in industrial growth.

There is no quantifiable direct relationship between Government expenditure and the growth rate of the Gross Domestic Product. The following table below shows the variation between Budget Estimates & Revised Estimate of Plan and Non-Plan expenditure during the years 1995-96 to 1997-98. The improvement in budgeting and fiscal expenditure management is a continuing exercise.

(Rs. in Crore)

	Budget Estimates			Revised Estimates			%increase in R.E. over B.E.	Actual			%increase in actuals over B.E.
	Plan	Non-Plan	Total	Plan	Non-Plan	Total		Plan	Non-Plan	Total	
1995-96	48500	123652	172152	48684	134320	183004	6.30	46374	131901	178275	3.56
1996-97	54685	149975	204660	54894	147404	202298	-1.15	53534	147473	201007	-1.78
1997-98	62852	169324	232176	60630	174615	235245	1.32	*	*	*	*

*Under compilation

The department-wise details of the Budget Estimates and Revised Estimates of expenditure and variation between them have been given in Statement No. 2 of Expenditure Budget Vol. 1 for Budget 1996-97 and Budget 1997-98.

Investment by GIC

*353. SHRI RAMA CHANDRA MALLICK :
SHRI BHERU LAL MEENA :

Will the Minister of FINANCE be pleased to state :

(a) the quantum of investment made by the General Insurance Corporation of India in the private sector industry; and

(b) the names of top ten companies in terms of the total investment made by the GIC and subsidiaries, company-wise?

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