

large number of commercial banks have also opted out after the revision of credit guarantee scheme w.e.f. 1st April, 1995 due to tightening of the terms of the scheme including increase in guarantee fee and delay in settlement of claims by DICGC.

(b) and (c) S.L. Kapur Committee set up by Reserve Bank of India (RBI) proposed setting up of a new credit guarantee corporation to cover loans sanctioned by public sector banks/financial institutions to SSI units upto Rs. 10 lakhs. Announcement for launch of a new credit insurance scheme for small scale sector has been made in the Budget Speech for 1999-2000.

Banking
Priority Sector Lendings

*160. DR. S. VENUGOPALACHARY : Will the Minister of FINANCE be pleased to state:

(a) the details of the criteria/guidelines of RBI regarding priority sector lendings;

(b) whether food processing has been given priority sector status for lending purposes; and

(c) if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) In terms of the Reserve Bank of India (RBI) guidelines, it is obligatory for public sector banks to lend 40 per cent of their Net Bank Credit (NBC) to priority sector, of which 18 per cent of NBC is required to be lent to agriculture and 10 per cent of NBC to weaker sections. The details of segments included in priority sector are given in the enclosed statement.

(b) Yes, Sir.

(c) Does not arise.

Statement

Segments included in priority Sector

1. Agriculture (both direct and indirect).
2. Small scale industries (including setting up of industrial estates) (SSIs defined as units with original cost of plant and machinery not

exceeding Rs. 3 crore. The tiny sector units are those with original cost of plant and machinery upto Rs. 25 lakhs).

3. Small road and water transport operators (owning upto 10 vehicles).
4. Small business (original cost of equipment used for business not to exceed Rs. 10 lakhs; working capital limit Rs. 5 lakhs).
5. Retail trade (advances to private retail traders upto Rs. 5 lakhs).
6. Professional and self-employed persons (borrowing limit not exceeding Rs. 5 lakhs of which not more than Rs. 1 lakh for working capital; in the case of qualified medical practitioners setting up of practice in rural areas, the limits are double the above figures and purchase of one motor vehicles within these limits can be included under priority sector).
7. State sponsored organisations for SCs/STs.
8. Education (educational loans granted to individuals by banks under their own schemes).
9. Housing (both direct and indirect loans upto Rs. 5 lakhs).
10. Consumption loans (under the consumption credit scheme for weaker sections).
11. Refinance by sponsor banks to RBBs.
12. Loans to Self Help Groups (SHGs)/Non Governmental Organisations for onlending to SGHs.
13. Software Industry (credit limit upto Rs. 1 crore).
14. Food and Agro based processing sector.

Loans & Advances
Comments of A.P. Chief Minister on World Bank's Suggestions

1464. DR. T. SUBBARAMI REDDY :
SHRIMATI LAKSHMI PANABAKA

Will the Minister of FINANCE be pleased to state:

(a) whether the Chief Minister of Andhra Pradesh has not agreed to some of the changes suggested by the World Bank before sanctioning the loans/assistance to the State Government;

(b) if so, the details of changes suggested by the World Bank;

(c) the suggestions on which the State Government has not agreed;

(d) the difficulties shown by the State Government in accepting the World Bank's views; and

(e) whether in view of not accepting the views, the World Bank has not agreed to provide the loan to the Andhra Pradesh?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) to (e) The loan agreement for the Andhra Pradesh Economic Restructuring Project for \$ 543.2 Million was signed on 4.2.1999 by representatives of Government of India, Government of Andhra Pradesh and World Bank. Further, World Bank has also approved a loan of \$ 210 Million on 18.2.1999 for the Andhra Pradesh Power Project.

Hence the question of difference of perceptions between World Bank and Government of Andhra Pradesh does not arise.

Import of Copra and Coconut Oil

1465. SHRI SURENDRAN CHENGARA : Will the Minister of COMMERCE be pleased to state:

(a) whether the import of copra and coconut oil has affected the indigenous coconut farmers due to drop in the price of their produce; and

(b) if so, whether the Government are considering their demand to stop all such imports which affect adversely the indigenous farmers?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE) : (a) and (b) The import of copra and coconut oil is canalised through the State Trading Corporation of India Ltd. and Hindustan Vegetable Oils Corporation. Import through these agencies are allowed only to enhance the availability of edible oil in the domestic market, increase capacity utilisation of processing mills and generate additional exports of oilmeals. Considering that import of Copra and coconut oil continue to be in the Restricted List, such canalised imports are unlikely to have an adverse effect on indigenous farmers. However, India is committed to phasing out of import restrictions over the next 3-4 years subject to appropriate tariff protection.

[Translation] Public Sector

Interim Relief to Employees of PSUs

1466. SHRI C.D. GAMIT : Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have announced an interim relief of 10 per cent for the employees of Public Sector Undertakings;

(b) if so, the number and names of these Public Sector Undertakings;

(c) whether this interim relief is also applicable to the employees of sick units which have been referred to Board for Industrial and Financial Reconstruction and other loss making units whose pay scales have not been revised since 1962; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL) : (a) to (d) On the basis of the interim recommendation of the Pay Revision Committee, which was set up by the Government to make recommendations for pay revision for executives of Central Public Sector Enterprises, the Government have allowed the payment of interim relief of 10% of basic pay subject to the minimum of Rs. 280 p.m. subject to certain conditions, to the employees of the public enterprises following the IDA pattern. One of the conditions stipulated was that no interim relief should be granted to the employees of sick enterprises referred to BIFR and other loss making enterprises which have not so far revised their pay scales from 1.1.92. The managements of the enterprises have been given the liberty to decide on the grant of interim relief to the officers and workers taking into consideration the financial position of the enterprise and other implications of allowing such interim relief. It was further stipulated that no budgetary support would be provided to the PSUs for meeting the liabilities of the payment of interim relief. As such it is not possible to indicate the number and names of the enterprises which have paid/not paid the interim relief to their employees.

[English] Economic Adviser

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1467. SHRI RAVI SITARAM NAIK : Will the Minister of FINANCE be pleased to state: