

[Translation]

Committee to inquire Losses of Coal Companies

*560. SHRI RAVINDRA KUMAR PANDEY: Will the Minister of COAL be pleased to state:

(a) whether the Government propose to constitute a high level investigating team to ascertain the reasons of losses being suffered by the Coal India Limited and its subsidiaries and to suggest measures for removing the managerial inefficiency;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI DILIP RAY): (a) No, Sir.

(b) Does not arise in view of the answer to part (a) of the question.

(c) The profit position of Coal India Limited (CIL) as a whole has been improving considerably since 1994-95. In order to improve the financial and operational efficiency of the loss making subsidiary companies of CIL, turn-around packages suggested by the company and CIL are examined in the Ministry of Coal for implementation. Managerial inefficiency is not the only reason for losses being incurred by such subsidiary companies of CIL.

[English]

Credit Flow to SSIs

*561. SHRI S.B. THORAT:

SHRI MOHAN RAWALE:

Will the Minister of FINANCE be pleased to state:

(a) whether S.L. Kapoor Committee set up to review the working of credit delivery system for SSI units has submitted its report to the Government;

(b) if so, the details of important observations and recommendations made in the report;

(c) the reaction of the Government thereto; and

(d) the details of follow up action taken and the action plan prepared for 1998-99 for streamlining the credit flow to the SSI units?

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) As per information made available by Reserve Bank of India (RBI), S.L. Kapur committee set up in December 1997 to review the working of credit delivery system for SSI units has submitted its report to RBI on 30th June 1998.

(b) Special treatment to smaller among small industries, enhancement in the quantum of composite loans,

removal of procedural difficulties in the path of SSI advances, sorting out issues relating to mortgage of land, including removal of stamp duty and permitting equitable mortgages, allow in access to low cost funds to Small Industries Development Bank of India (SIDBI) for refinancing SSI loans, non-obtention of collaterals for loans upto Rs. 2 lakhs, setting up of a collateral reserve fund to provide support to first generation of entrepreneurs who find it difficult to furnish collateral securities or third party guarantees, setting up of a Small Industries Infrastructure Development Fund for developing industrial areas in/around metropolitan and urban areas, change in the definition of sick SSI units, giving statutory powers to State Level Inter-Institutional Committee (SLIIC) setting up of a separate guarantee organisation and opening of 1000 additional specialised branches are amongst significant recommendations made by the committee.

The Committee has also recommended enhancing of SIDBI's role and status to match with that of National Bank for Agriculture and Rural Development (NABARD), suggestions towards technological upgradation of various sub-sectors of SSI, granting 20 per cent additional *ad hoc* limits to SSIs from banks and setting up of a reconstruction fund with initiative and initial corpus from the Government of India and the RBI to enable branch managers to provide, if necessary, initial corpus margin money for such additional facilities earmarking atleast 40 per cent of resources of SIDBI to tiny sector, close co-operation between State finance corporations (SFCs) and public sector banks for jointly providing term loans and working capital limit to SSIs, NABARD to set up a fund similar to National Equity Fund to make facilities available to rural industrial units with project costs upto Rs. 10 lakh, appointment of separate ombudsman in each bank for grievances not covered by RBI's banking ombudsman scheme, training and motivation for staff of regional rural banks, urban co-operative banks and SFCs.

(c) and (d) RBI has reported that the recommendations of the committee need to be examined in consultation with various agencies such as Small Industries Development Bank of India (SIDBI), Indian Banks Association (IBA) banks and Government departments including State Governments. RBI is taking necessary steps in this regard.

Export of Latex

5403. SHRI MULLAPALLY RAMACHANDRAN: Will the Minister of COMMERCE be pleased to state:

(a) whether the Government propose to export latex to any country;

(b) if so, the details thereof;

(c) whether any study has been made to determine the effect of the unrestricted import of polyurethane by the latex industry in the country; and

(d) if so, the details of the findings?

THE MINISTER OF COMMERCE (SHRI RAMAKRISHNA HEGDE): (a) and (b) The Government permits export of latex and there is no restriction on such exports. There are