

(b) The plan for revival/restructuring of the N.J.M.C. involving induction of funds to the tune of Rs. 248.05 crores is with the following components:—

Components	Induction of funds (Rs. in crores)
1. Capital Expenditure	35.70
2. Start up expenses	106.12
3. Estimated cash loss to be incurred during implementation period	88.66
4. National Renewal Fund	17.57
Total	2,48.05

and also to waive the entire interest charged to be charged on existing loan upto date and to restructure the cash loss reimbursement and modernisation loan upto 31.03. 1998 in the manner that an amount of Rs. 300 crores is converted as Non-cumulative Redeemable Preference Shares @ 7% interest to be retired in phased manner after 10 years and the balance portion of Rs. 439.83 crores is converted as Equity Capital.

Sick PSUs in Kerala

5578. SHRI N.K. PREMCHANDRAN: Will the Minister of INDUSTRY be pleased to state:

- the number of sick Public Sector Units, if any, in Kerala;
- the details of steps proposed to be taken by the Government for their revival; and
- the total number of employees working therein?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL): (a) None of the 5 Central PSUs having their registered office in the State of Kerala are registered with the Board for Industrial & Financial Reconstruction as sick.

(b) and (c) Does not arise.

Committee on SSIs

5579. SHRI RAMKRISHNA BABA PATIL:

SHRI GURUDAS KAMAT:

Will the Minister of FINANCE be pleased to state:

- whether the Government have considered the recommendation made by S.L. Kapoor in his report on Small Scale Industries;
- if so, the details thereof; and
- if not, the reasons therefor?

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) to (c) 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.

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, allowing 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 projects 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.

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.

Build up of Huge Position in Some Scripts by Brokers

5580. SHRI AMAN KUMAR NAGRA:

DR. BIZAY SONKAR SHASTRI:

Will the Minister of FINANCE be pleased to state:

(a) whether there have been a rapid build up of huge positions created by many brokers in some scrips;

(b) if so, the details thereof;

(c) the extent to which badla system prevailing at present is responsible in helping the brokers and build up huge positions on certain scrips;

(d) whether any action has been taken by Security and Exchange Board of India to prevent such positions; and

(e) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) to (c) Securities and Exchange Board of India (SEBI) has intimated that some of the brokers had built up some positions in the scrips of BPL Limited, Videocon International Ltd. and Sterlite Industries Ltd., both in the normal trading as well as in the carry forward system.

(d) Yes, Sir.

(e) Some of the recent measures taken by SEBI include incremental margins on the increased carry forward positions, margins on building up of concentrated positions in scrips in cash as well as carry forward trades, graded volatility margins linked to price movements, etc.

Loans to Weaker Sections

5581. DR. RAVI MALLU: Will the Minister of FINANCE be pleased to state:

(a) the target of lending fixed by each of public sector banks for priority sector, especially to weakers and farmers during the last three years state-wise;

(b) whether the target has been achieved by all these banks;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

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) The targets fixed for lending to priority sector and its sub-sectors by Indian commercial banks including public sector banks are given below:

Total priority sector advances : 40 per cent of Net Bank Credit (NBC)

Total agricultural advances : 18 per cent of NBC

Advances to weaker sections : 10 per cent of NBC

(b) and (c) The performance of public sector banks in lending to priority sector and its sub-sectors as on the last Friday of March 1988 is given in the enclosed Statement.

(d) The public sector banks which had not achieved the total priority sector lending target of 40 per cent as on the last Friday of March 1988 were asked to contribute the entire shortfall to Rural Infrastructural Development Fund-III (RIDF-III) with National Bank for Agricultural and Rural Development (NABARD). Those public sector banks which had not achieved agricultural lending sub-target of 18 per cent as on that date were asked to contribute on pro-rata basis a total amount of Rs. 928 crore to RIDF-III.

Statement

Performance of public sector banks in lending to priority sector and its sub-sectors as on the last friday of March 1988.

Name of the bank	(%) (in percentage)		
	Total Priority Sector (Target) 40%	of which to Agri- culture (Target) 18%	of which to Weaker Sections (Target) 10%
1	2	3	4
1. State Bank of India	37.46	14.63	7.00
2. State Bank of B & J	40.61	12.66	7.58
3. State Bank of Hyderabad	37.60	15.65	14.72
4. State Bank of Indore	45.22	17.58	6.38
5. State Bank of Mysore	41.84	16.86	7.13