

(c) if answer to (a) be in the negative, whether Government would consider the question of formulating an insurance policy which would induce the farmers to seek an insurance cover.

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) to (c). The Life Insurance Corporation of India is examining the suggestion for evolving a special type of policy to suit the needs of farmers and others in the rural areas whose income is subject to considerable fluctuation.

Loan by Nationalised Banks to Textile Mill Owners in Gujarat

*270. **SHRI K. RAMAMURTHY:** Will the Minister of FINANCE be pleased to state:

(a) whether Government have instructed the nationalised banks, particularly in the State of Gujarat to give loans to the Textile mill-owners for meeting their commitment of bonus to the workers;

(b) whether it is a fact that the Deputy Minister of Finance has publicly admitted in Ahmedabad that the Textile Mills have made enormous profits in the last year; and

(c) if so, the reasons for extending such temporary financial assistance to the textile mill-owners in Gujarat?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI MAGANBHAI BAROT): (a) Outflows in the form of bonus are among the items of expenditure for a manufacturing concern and are normally taken into account by banks while appraising their working capital requirements. As such, it is expected that bonus payment would be accommodated within the credit limits permitted to a manufacturing concern. There might, however, be some exceptional cases of weak or loss making units requiring temporary accommodation for payment of bonus. The Reserve Bank of India advised the banks in October, 1979 that in such cases tem-

porary credit limits for short periods may be considered on merits of each case. The above policy continues this year also and applies to the whole country uniformly.

(b) It is taken that the reference is to the observations made by the Union Deputy Minister for Finance at the inaugural function of the National Savings Fortnight in Ahmedabad on October 31, 1980. He had then pointed out that banks would consider giving temporary accommodation in the suitable cases to weak textile units for payment of bonus and had further appealed to the local mills which had made good profits to consider payment of bonus at a rate higher than the minimum statutory rate.

(c) As stated in (a) above, according to instructions of the Reserve Bank of India, banks consider giving temporary accommodation for payment of bonus in exceptional cases to weak units on merits of each case on a uniform basis through-out the country.

Buckingham and Carnatic Mills Madras

*271. **SHRI K. A. RAJAN:** Will the Minister of COMMERCE be pleased to state:

(a) whether the Tamil Nadu State Government have asked the Centre to pump finance into the Buckingham and Carnatic Mills to prevent its impending closure employing over 13,000 workers; and

(b) if so, the details thereof and Union Government's reaction thereto?

THE MINISTER OF COMMERCE AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b). The Government of Tamil Nadu had suggested that the State Bank of India should continue to release funds to the Buckingham and Carnatic Mills, Madras so that the Mills' operations do not come to a grinding halt. The figure estimated by the State Government *viz.* Rs. 50 lakhs is, however,