

increased bonus.

SHRI CHINTAMANI JENA: May I know whether it is a fact that, if the policy-holder cannot pay a single paisa towards the amount of premium to be paid by a particular date fixed for paying the premium, then the amount paid by him is put in the Suspense Account and additional interest, compound interest, is charged from the policy-holder on the entire amount of his premium, but, on the other hand, on the amount which has been put in the Suspense Account the LIC does not pay a single paisa towards bonus or dividend or interest and if so, when a Welfare State like ours is meant to give benefit to the people, why they are, being a Government Undertaking charging additional interest, compound interest, when the policy-holders cannot pay the premium by a particular date?

SHRI JANARDHANA POOJARY: I do not have the information. I will look into it and write to the hon. Member.

SHRI SRIKANTA DATTA NARASIMHARAJA WADIYAR: I want to know from the hon. Minister whether he proposes to increase the ceiling of Rs. 40,000 that exists now on tax exemption on insurance premium, to a higher figure.

SHRI JANARDHANA POOJARY: A question regarding a policy matter, I am not in a position to answer during the Question Hour.

IDBI Assistance to Small Scale Soft Drinks Units in Andhra Pradesh

*334. **DR. T. KALPANA DEVI:** Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that Small Scale soft drink units in Andhra Pradesh are facing a severe crisis;

(b) the steps being taken by the Industrial Development Bank of India to assist such units either by way of relief in interest or re-scheduling of loans; and

(c) the measures initiated in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). A statement is given below.

STATEMENT

An IDBI study in 1986 of some soft drinks units including those in Andhra Pradesh had not indicated any major problems faced by them.

The financing of soft drinks manufacturing units in small and medium scale sector is undertaken by primary lending agencies like State level financial institutions (State Financial Corporations and State Industrial Development Corporations). Rehabilitation of such units which have fallen sick can be undertaken by the primary lending agencies in respect of those units which are considered potentially viable. IDBI has a scheme of Rehabilitation Refinance Assistance under which refinance is available for such schemes. The Reserve Bank of India has also prescribed parameters within which banks can consider concessions for sick SSI units without reference to Reserve Bank of India subject to their viability being established.

DR. T. KALPANA DEVI: The primary lending agencies like the State level financial institutions are not considering small scale soft drink units for reason of lack of financial resources. May I know from the hon. Minister whether the IDBI has any proposal to refinance such soft drink units. Most of these units are in the rural areas and are operated manually. To encourage the rural, self-employed entrepreneurs, may I know whether Government has any proposal to give more duty concession to soft drink units to make them viable units?

SHRI JANARDHANA POOJARY: As far as financing of small scale soft drink units is concerned, the IDBI has been refinancing for the rehabilitation of the units which are in

a crisis, that is, sick.

So far as proposal for new scheme is concerned, we have come up recently with a new scheme which is National Equity Fund where the seed capital is given up to Rs 75,000 for a project costing up to Rs 5.00 lakhs with a service charge of 1%. This is a new proposal. Not only that. We have got another scheme i.e. Small Scale Industries Development Fund with a corpus of Rs 2,500 crores to help small scale units.

DR. T. KALPANA DEVI: Sir, recently you have seen in the newspapers and one of our Hon. Members had visited the unit where the soft drink bottles are prepared unhygienically. I would like to know from the Hon. Minister the action taken by the Government or proposed to be taken by this Government to maintain perfect hygiene in the manufacturing units.

SHRI JANARDHANA POOJARY: I am looking at the financial institutions to give finance and not to see the health of it whether it is unhygienic or unadulterated. The Hon Member may direct the question to the concerned Ministry. The Government will consider.

DR. T. KALPANA DEVI: But can the Finance Department do anything in this regard?

[*Translation*]

Border Areas Development Programme

*335. SHRI VIRDHI CHANDER JAIN: Will the Minister of PLANNING be pleased to state:

(a) whether Government had introduced Border Areas Development Programme in the Seventh Five Year Plan for the upliftment of people of undeveloped and backward border areas;

(b) if so, the sum earmarked for this purpose; and

(c) whether Government have changed the aforesaid programme altogether and diversified the funds to the education programmes; if so, the reasons thereof?

[*English*]

THE MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PROGRAMME IMPLEMENTATION (SHRI SUKH RAM): (a) and (b). Yes, Sir. A new Programme for the development of Border Areas has been taken up in the Seventh Plan as one of the Special Area Programmes. A sum of Rs. 200 crores has been provided for this Programme in the Seventh Plan.

(c) In November, 1986, it was decided to reorient this Programme so as to concentrate mainly on human resource development. It is hoped that it would lead to greater contentment of the people inhabiting the area as well as to the faster development of the area.

[*Translation*]

SHRI VIRDHI CHANDER JAIN: Mr. Speaker, Sir, the programme for the development of the border areas has been changed altogether and the funds meant for the balanced development have been diverted to the education programmes only. Although Government have changed the programme but National Development Council and the State Governments have not been consulted. The programme which was for the sensitive areas such as roads, education, medicines etc. has been shifted to the education exclusively. My other question is whether Indira Gandhi Canal Project will be completed by increasing the amount meant for it?

SHRI SUKHRAM: Mr. Speaker, Sir, the reason for changing this programme is that the development programmes of the State Government like building of roads, provision of drinking water and other schemes were included broadly in the programmes of the last year also. Therefore, in view of the