

of States, as the Finance Commission was mandated, *interalia*, to review the debt position of States. The recommendations of the Eleventh Finance Commission on devolutions from Centre to States, have captured the debt liability of States which have a bearing on the Commission's recommendations on debt relief. Any selective reopening of debt relief would not be consistent with the EFC scheme. However, when States face constraints of liquidity, the Centre steps-in where feasible, to help States by advancing their entitlements as well as through Ways & Means support.

Prime Lending Rates of Banks

67. SHRI SURESH BHARDWAJ :
SHRI LAJPAT RAI :

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) the details of Prime Lending Rates of interest fixed by Reserve Bank of India for Commercial and Cooperative Banks for farming sector;

(b) whether the actual rates charged have ever been verified; and

(c) whether it is a fact that much higher rates are practically charged, if so, what remedial steps have been taken ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE) : (a) to (c) The Reserve Bank of India (RBI) has not prescribed separate interest rates for agricultural advances. RBI have deregulated the interest rates on advances above Rs. 2 lakhs with effect from October, 1994. For credit upto Rs. 2 lakhs, banks are to charge interest not exceeding their Prime Lending Rate (PLR). Presently the PLR of five major banks range between 11-12.0 per cent per annum. The typical spread over PLR for most of the commercial banks is at 4 per cent. RBI has reported that interest rates relating to all loans are fully deregulated in respect of Regional Rural Banks and Cooperative Banks. In October, 1996 RBI in its credit policy had observed that the banks were charging lending rates for higher than their PLR on a significant portion of bank credit to borrowers with credit limits over Rs. 2 lakhs and therefore, RBI had decided that banks along with the announcement of their PLR should also announce the maximum spread over the PLR for all advances other than consumer credit. RBI looks into the compliance of the instructions during the inspection of the commercial banks branches. As regards Regional Rural Banks and Cooperative

Banks, the National Bank for Agricultural and Rural Development (NABARD) conducts inspection of the same.

New scheme for borrowing from NRIs

68. SHRI K. NATWAR SINGH : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether Government are exploring the possibility of tapping the non-resident Indian (NRI) community once again to raise \$ 5-6 bn through a borrowing on the lines of the Indian Millennium Deposit Scheme;

(b) if so, whether the State Bank of India which arranged the two previous borrowing—The Resurgent India Bonds and IMDS—has been given the mandate for the fresh borrowing as well;

(c) if so, to what extent this decision has helped Government; and

(d) to what extent it has raised the borrowings from the NRIs ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE) : (a) No, Sir.

(b) to (d) Do not arise.

Scams in Kerala Banks

69. SHRI MOOLCHAND MEENA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether there have been a number of bank frauds and scams in cooperative banks in the country;

(b) if so, the total number of cooperative banks where these scams have been found;

(c) whether RBI unearthed Rs. 20 crores scam in Kerala banks as reported in Economic times of 28th May, 2002; and

(d) if so, the total amount involved in the scam and what steps are being taken to check the scams and frauds in both nationalized and private banks in the country ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANT GANGARAM GEETE) : (a) and (b) In the