

Bank) Directions, 1998 which read as under:

"NBFCs failing to repay public deposits prohibited from making loans and investments

11. An NBFC which has failed to repay may public deposit or part thereof in accordance with the terms and conditions of such deposit, as provided in section 45QA(1) of the Reserve Bank of India Act, 1934 (2 of 1934) shall not grant any loan or other credit facility by whatever name called or make any investment or create any other asset as long as the default exists."

The above directions would also be applicable to Residuary Non-Banking Companies (RNBCs).

(c) The compliance with these norms shall be monitored through the half-yearly Return on Prudential Norms to be submitted to Reserve Bank of India by all the NBFCs including RNBCs accepting/holding public deposits. Periodical on-site inspection being conducted by RBI also covers aspects relating to compliance with various directions issued by them.

Equity of LIC/GIC/UTI in Dunlop India Limited

1438. SHRI JIBON ROY: Will the Minister of FINANCE be pleased to state:

(a) the equity of LIC, GIC and UTI in Dunlop India Limited (DIL);

(b) the number of nominees in the Dunlop India Limited Board;

(c) steps taken by nominee members to arrest financial irregularities in the company; and

(d) the stand of LIC, GIC and UTI on the alleged sickness of the company by Dunlop India Limited Board?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE

MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) The requisite information is as under:—

LIC	19.64%
GIC	6.07%
UTI	3.70%

(b) The Nominee Director of LIC on the Dunlop India Board represents the interest of other financial institutions also.

(c) The Nominee Director of the institutions has been expressing the views and concerns of the institutions in the Board Meetings of the company from time to time and reporting the feedback to the financial institutions.

(d) BIFR has already appointed IDBI to prepare a report for ascertaining whether the company could be declared to be a 'sick' company. Further action as necessary would be taken by the financial institutions on receipt of BIFR orders in the matter.

Relaxation of Lending norms for Infrastructure Projects

1439. SHRI V.P. DURAISAMY: Will the Minister of FINANCE be pleased to state:

(a) when the lending norms pertaining to infrastructure projects were relaxed by the Reserve Bank of India last;

(b) the quantum of funds released for such projects after the relaxation; and

(c) the banks that released funds for this purpose, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Reserve Bank of India (RBI) has reported prior to September 1997, RBI had stipulated a condition that bank in consortia/syndicate may sanction term loans for technically feasible, financially viable and

bankable projects including projects involving creation of infrastructure facilities subject to a ceiling of Rs. 500 crore for a single project. In the case of power generation projects, however, the ceiling on term loans which can be granted by banks in consortia/syndicate for a single project had been fixed at Rs. 1000 crores (with a sub-ceiling of Rs. 400 crores for fund-based facility). The stipulation regarding the ceiling/sub-ceiling on the quantum of term loan which can be granted by banks individually or in consortia/syndicate for a single project was reviewed in September 1997 and it was decided to dispense with this stipulation.

Accordingly, banks were given the discretion in September, 1997 to sanction term loans to all projects including infrastructure projects within the overall ceiling of the prudential exposure norms prescribed by RBI viz. 25 per cent of the capital funds in the case of an individual borrower and 50 per cent in the case of a borrower group. The group exposure norms of 50 per cent has also been permitted to be exceeded to the extent of 10 per cent provided the additional exposure is for the purpose of financial infrastructure projects viz. projects in areas of power telecommunications, roads and ports.

(b) and (c) The existing date reporting system of RBI does not generate such information.

Seizure of Foreign Currency At IGI Airport

1440. SHRI N. RAJENDRAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that foreign currency amounting to Rs. 2.70 crores in Indian currency was seized at IGI Airport, New Delhi on 1/2.11.96;

(b) whether it is also a fact that the seizure was made on the basis of a specific information provided by the informer;

(c) if so, whether the informer has been rewarded suitably; if not, the reasons therefor; and

(d) how many cases of seizures were made on the basis of specific information during the last two years all over the country?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI R. JANARTHANAM): (a) Yes, it is a fact that foreign currency amounting to Rs. 2.70 crores in Indian currency was seized at IGI Airport, New Delhi, on 1/2.11.96.

(b) The records do indicate a specific information relating to the seizure.

(c) The reward to the informer has not been paid so far. The same is under consideration of the authority competent to sanction the reward.

(d) The number of seizure cases booked/detected all over India, under the Customs Act, 1962, during the last two financial years i.e. years 1996-97 & 1997-98 were 16132 & 21779 respectively. Out of above, the number of seizure cases booked/detected on the basis of specific information were 1152 and 1007 respectively.

NBFCs Under Insurance cover

1441. SHRI PARMESHWAR KUMAR AGARWALLA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that many Non-Banking Finance Companies and even Public Limited Companies are defaulting in returning fixed deposits received from public;

(b) if so, which are the companies and what action has been taken by Government to protect depositors interests, particularly small depositors and pensioners;