

Bank of India (RBI) has advised all Scheduled Co-operative Banks to make every effort to achieve the stipulated target. Bank have been urged to make special credit arrangements with a view to achieving a distinct and marked improvement in the flow of credit to agriculture. Banks have been advised to identify the areas and the activities which they should concentrate upon and draw up their action plans accordingly. For timely and adequate credit for agriculture production, financial institutions certain criteria are extended flexible line of credit in the form of cash credit facility to meet their composite credit requirements. The facility is available to farmers having irrigation facility and also to those who do not have such facility but who in addition to cultivation of crops can undertake allied activities like dairy, poultry, etc. and for other non-farm activities and who have satisfactory bank record in the form of their bank/ borrowed accounts. RBI has also advised commercial banks to finance such allied activities like aquaculture, floriculture, tissue-culture and horticulture.

Credit flow to Hit by Banks

5297. SHRI SURBESH PACHOUR: Will the Minister of FINANCE be pleased to state:

one hundred designated branches of the Ministry of Finance for better credit flow to the small industries in the State;

(b) if so, the details thereof;

(c) how many such branches are in the State of Madhya Pradesh; and

(d) what procedure is being followed by these bank branches in providing credit flow to small industries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a)

and (b) In his Budget Speech for 1995-96, Finance Minister had, inter alia, mentioned that the public sector banks would ensure that 100 specialised small scale industries (SSI) branches are operational before the end of 1995-96 in 15 identified districts, each with more than 2000 registered SSI units. RBI has asked banks to give their proposals in this regard.

(c) RBI has reported that as at the end of October, 1994, there were 25 specialised SSI branches of the public sector banks in the State of Madhya Pradesh.

(d) Specialised SSI branches would be manned by staff specially deputed to deal with SSI loan applications and there will be predominance of SSI business at these branches.

Bridge Loans by IDBI to Come to

5298. SHRI YERRA NARAYANA-SAMY: Will the Minister of FINANCE be pleased to state:

(a) whether IDBI had been at a loss in choice of companies in sanctioning bridge loans against public issues;

(b) if so, what steps are proposed to review linkage of IDBI with various companies who got bridge loans;

(c) whether such bridge loans were unethical to award; and

(d) if so, the action proposed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) Industrial Development Bank of India (IDBI) has reported that it had not been lax in choice of companies in sanctioning bridge loans against public issues.

(b) Does not arise in view of (a) above.

(c) IDBI has reported that bridge loans sanctioned by it against public issues were not unethical to the investors as these loans were given as a stopgap arrangement for the purpose of timely

iiimilmMinn of utojects pending receipt of me money from public issue.

(4) Dots wrt arise.

Bridge Unas to CeanaoJM ngjdant

5J». OBI Y1RHA NARAYANA-SWAMY: mB An Mfafetnr of FINANCI to pieawd to stote:

(a) what woo fes masons advaaed by RBI for haanttg krfd\$» moos to companies egnjBst Poboc Issues;

(b) whether ft k a bet that such beneficiary companies were misusing this facility, *mi*

(c) *it* to, the details of endcr-cerrtatfl on this issue?

THE MINISTER OF STATE *W* THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARAMURTHY): (a) The Reserve Bank of India (RBI) has reported that the sanction of bridge icons by banks and financial institutions (Fb) against public issues has been banned due to absence of a risk free arrangement for such advance which are mostly in the form of ~~unsecured~~ credit. Further, banks and FIs were onabfc to ensure ~~ted~~ we of funds lent by them by way of bridge loans against pubic ~~issues~~ market borrowings. Banks were also found to have not assessed properly the element of risk involved in sanction of bridges loans. There were also cases where recovery of bridge loans was not effected within the due date.

(b) and (c) RBI has reported that a sample scrutiny of bridge loans of Rs. 5 crore and above sanctioned by banks during the period 01.12.1999 to 31.03.1994 did not reveal any specific misuse of bridge toons by borrowers. But h was, inter-aha, found mat banks were no t ensuring end-use of funds lent.

Mammy for rorehjn Banks

3300. SHRI YERRA NARAYANA-SWAMY: Win the Minister of FINANCE be pleased to state:

(a) whether foreign banks operating in the country will be tismptert from •—. enforced Bonk Ko&dsya;

(b) if so, the detafa of such exemption;

(c) wtmtbtr tore nay pacmgaal to reduce the number of lank Hobdays; and

(d) if so, the details thereof?

TOE MINISTER OF STATE IK THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) Reserve Bank of India has reported mat holidays declared under me Negotiable Instruments Ad are applicable to aB bonks operating in the ^r country.

(c) No, Sir.

(d) Does not arise.

विदेशी ऋण पर दिवा करने वाले ब्याज

3301. श्री राम चैतन्यजी:

श्रीमती सुमन सरकार:

क्या दिवा नहीं कर सकते की ऋण करने कि:

(क) क्या यह सच है कि गत वर्ष वर्षों में दिने गने ऋण के कारण विदेशी ऋण पर दिने करने वाले ब्याज की दरों में निम्न वृद्धि होती रही है;

(ख) यदि नहीं, तो वर्ष 1992-93, 1993-94 और 1994-95 के दौरान ब्याज की दर में किसी वृद्धि का अनुमान किया गया;

(ग) क्या यह भी सच है कि गत वर्ष वर्षों में दिने गने ऋण के कारण विदेशी ऋण पर दिने करने वाले ब्याज की दरों में निम्न वृद्धि होती रही है;

(घ) यदि हाँ, तो इस दरों के बारे में क्या अनुमान है और

(ङ) अनुमान वर्षों के दौरान ब्याज की दर में वृद्धि का अनुमान क्या दिने गने ऋण करने वाले ब्याज में से किसी वृद्धि का अनुमान के रूप में दी गई है?