

Bank of India (RBI) has advised all Scheduled Commercial Banks to make every effort to achieve the stipulated target. Banks have been urged to draw up special credit plans with a view to achieving a distinct and marked improvement in the flow of credit to agriculture. Banks have also been advised to identify the areas and the activities which they could conveniently concentrate upon and draw up their action plan accordingly. For timely and adequate credit for agriculture production, farmers satisfying certain criteria are extended flexible line of credit in the form of cash credit facility to meet their Composites 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 undertake allied activities like dairy, poultry, etc. and/or other non-farm activities and who have satisfactory track record in the conduct of their bank borrowed accounts. RBI has also asked commercial banks to finance high-tech activities like aquaculture, floriculture, tissue-culture bio-technology etc.

Credit flow to SSI by Banks

5297. **SHRI SURESH PACHOURI:** Will the Minister of FINANCE be pleased to state:

(a) whether Government have selected one hundred dedicated branches of nationalised banks for better credit flow to the small scale industries in the country;

(b) if so, the details thereof;

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

(d) what procedure is likely to be 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 85 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 experienced to deal with SSI loan applications and there will be predominance of SSI business at these branches.

Bridge Loan by IDBI to Companies

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 firms who got bridge loans;

(c) whether such bridge loans were unethical to investors; 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

implementation of projects pending receipt of the money from public issue.

(d) Does not arise.

Bridge Loans to Companies against Public Issues

5299. SHRI YERRA NARAYANA-SWAMY: Will the Minister of FINANCE be pleased to state:

(a) what were the reasons advanced by RBI for banning bridge loans to companies against Public Issues;

(b) whether it is a fact that such beneficiary companies were misusing this facility; and

(c) if so, the details of under-currents on this issue?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) The Reserve Bank of India (RBI) has reported that the sanction of bridge loans by banks and financial institutions (FIs) 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 unable to ensure end-use of funds lent by them by way of bridge loans against public 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 01.12.1993 to 31.03.1994 did not reveal any specific misuse of bridge loans by borrowers. But it was, inter-alia, found that banks were not ensuring end-use of funds lent.

Holiday for Foreign Banks

5300. SHRI YERRA NARAYANA-SWAMY: Will the Minister of FINANCE be pleased to state:

(a) whether foreign banks operating in the country will be exempted from enforced Bank Holidays;

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

(c) whether there is any proposal to reduce the number of Bank Holidays; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) and (b) Reserve Bank of India has reported that holidays declared under the Negotiable Instruments Act are applicable to all banks operating in the country.

(c) No, Sir.

(d) Does not arise.

विदेशी ऋण पर दिना जाने वाला व्यय

5301. श्री राम जेठमलानी:

बीरगंजी मुख्यालय, बरगन:

क्या जिस देश का बाजार की कुछ दिनों में

(क) क्या यह सच है कि जब कभी कभी में लिये गये ऋण के कारण विदेशी ऋण पर दिना जाने वाले व्यय की रकम में अंतर कटित होती रही है;

(ख) यदि नहीं, तो वर्ष 1992-93, 1993-94 और 1994-95 के दौरान व्यय की रूप में अंतर कटित का कुलतार क्या रहा;

(ग) क्या यह भी सच है कि कबू विलीन वर्ष 1995-96 के दौरान इस रकम के और भी बढ़ने की सम्भावना है;

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

(ङ) अनुमान वर्षों के दौरान प्रत्येक वर्ष में सरकार द्वारा लिये गये कुल वार्षिक व्यय में से अंतर कटित प्रत्येक वर्ष के व्यय में हो गई है?