

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, बरकतपुर:

क्या जिस देश का ब्याज को कुछ देना है

(क) क्या यह सच है कि यह ब्याज वर्षों 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 कितनी बचत का अनुमान किया गया;

(ग) क्या यह भी सच है कि कच्ची 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 कुछ वार्षिक व्यय में से कितनी प्रतिशत कीमत व्यय के रूप में दी गई है?

वित्त मंत्रालय के राज्यमंत्री (श्री रामदास चन्द्राशेकर मूर्थी): (क) से (घ) केवल सार्वजनिक खाते में विदेशी ऋणों पर दिये जाने वाले व्याज की छति वर्ष 1992-93 के दौरान 3375 करोड़ रुपए, वर्ष 1993-94 के दौरान 3749 करोड़ रुपए, वर्ष 1994-95 के दौरान 4125 करोड़ रुपए (अवधिमान) और वर्ष 1995-96 के दौरान 4325 करोड़ रुपए (अनुमानित) थी।

(ङ) सार्वजनिक खाते में विदेशी ऋणों पर दिये गये व्याज का प्रतिशत वर्ष 1992-93, 1993-94 और 1994-95 के दौरान क्रमशः कुल वार्षिक व्यय का 2.9 प्रतिशत, 2.6 प्रतिशत और 2.5 प्रतिशत था।

Interest on Loans and Advances

5302. SHRI V. GOPALSAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government, RBI, public sector and private sector banks and financial institutions have raised interests on loans advances and also on deposits;

(b) whether Government would consider raising the interest of National Savings Scheme and National Saving Certificate and to other savings schemes in order to contain inflation and to encourage savings; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) Reserve Bank of India (RBI) have raised the maximum term deposit rate from 'not exceeding 11.0% per annum' to 'not exceeding 12.0% per annum' effective from April 18, 1995. As a result of the hike in the maximum term deposit rates many banks raised the interest on terms deposits of certain maturities. To protect the spread between the higher cost of funds resulting from the hike in the deposit rates and earnings on their deployment, most banks raised their prime lending rate by 0.5 percentage point i.e. to 15.5% excluding interest tax.

(b) and (c) There is no proposal at present to raise the rates of interest of National Savings Scheme, National Savings Certificate and other Small Savings Scheme.

Committee on National Social Assistance Scheme and Group Life Insurance Scheme

5303. SHRI RAMDAS AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether Government have constituted a Committee to operationalise the National Social Assistance Scheme and the Group Life Insurance Scheme to cover the poor and needy beneficiaries from households, below the poverty line, three fourths of whom are likely to be women as reported in a news-item published in the Hindustan Times dated 21st April, 1995;

(b) if so, what are the terms/composition thereof indicating components and total number of people likely to be covered and by what time full details proposed to be worked out by the Committee; and

(c) what is the likely expenditure involved during the current financial year and total provisions made in 1995-96 Budget indicating allocation, if any, State-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKARA MURTHY): (a) to (c) Yes, Sir. A Committee has been constituted on the 12th April, 1995 to operationalise the announcement made by the Finance Minister with regard to National Social Assistance Scheme and Group Life Insurance Scheme in rural areas. The composition of the Committee and its terms of reference are given in statement enclosed. (See below) The Committee has been requested to submit its report within a period of 3 months from the date of its constitution. The number of people likely to be covered and likely expenditure under the scheme