

Rural credit survey

1654. SHRI K. V. THANGKABALU: Will the Minister of FINANCE be pleased to state:

(a) whether a rural credit survey has been recently conducted in the country; and

(b) if so, what is the total amount or credit needed for the rural families as per the survey?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Reserve Bank of India (RBI) has reported that no rural credit survey as such has been recently conducted in the country. However, under the new strategy of 'Service Area Approach' being introduced in the rural lending, branches of banks in the rural and semi-urban centres would be making assessment of credit requirements of the villages in their respective. 'Service Area' after survey of villages located in their areas.

Economic cooperation of EEC for projects

1655. SHRI K. V. THANGKABALU: Will the Minister of FINANCE be pleased to state:

(a) whether European Economic Community (EEC) has undertaken two projects in India as part of its continuing economic cooperation with this country; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):

(a) Yes, Sir.

(b) Name of Project Amount allocated agreement in ECU Million Date of

0) Kerala Coconut Development Programme	45.0	25-3-88
(ii) Sheep Development Tamil Nadu		
TOTAL :	6.1	11-4-88
	51,1	

Loans for construction of Hotels

1656. SHRI K. V. THANGKABALU: Will the Minister of FINANCE be pleased to state:

(a) what are criteria for the grant of loans to private entrepreneurs for construction of hotels;

(b) what are the terms and conditions for such loans; and

(c) what is the amount of loans sanctioned during 1987-88 and 1988-89 to each parts?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO):

(a) to (c) The Industrial Development Bank of India (IDBI) has reported that the terms and conditions of assistance by the financial institutions to Hotel projects are the same as for other projects assisted by there. Institutions generally follow the norms of debt equity ratio of 2:1 and minimum promoters' contribution ranging from 17.5 per cent to 22.5 per cent of the project cost depending upon the location of the project. The rate of interest, commitment charge, security repayment, conversion option, right to appoint nominee etc. are as applicable to any other industrial project assisted by institutions. Hotel units are also eligible for interest rebate of 20 per cent of the interest payments in the year (subject to a floor rate of 10 per cent p.a.) on their foreign exchange