

Entering of Memorandum of understanding with the Swiss Government

1670. SHRI ISH DUTT YADAV :

SHRI RAM AWADHESH
SINGH:

SHRI BIRENDRA VERMA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have entered into an agreement with the Swiss Government under which the Indian Government could approach the Swiss banks for disclosure of numbered accounts in particular cases involving persons who had violated Indian and Swiss laws;

(b) if so, what are the details thereof; and

(c) whether under the Memorandum of Understanding (MOU) Government have asked the Swiss banks to disclose the names of persons having accounts in violation of FERA; 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) to (c). For obtaining mutual assistance in criminal matters, Government have decided that letters be exchanged between Governments of India and Switzerland. Our Mission in Berne has been suitably advised to make arrangements for the exchange of letters. Unless the proposed letters are exchanged between the two Governments, it is not feasible for the Government of India to approach the Swiss Government for obtaining any information in this regard

Liberalised Financial Assistance by NABARD to Non-Farm Sector

1671. SHRI ASHOK NATH VERMA:

Will the Minister of FINANCE be pleased to refer to the answer to Starred Question 225 given in the Rajya Sabha on the 10th May, 1988 and state:

(a) whether it is a fact that National Bank of Agricultural and Rural Develop-

ment (NABARD) has also reduced the margin money, for financing Non-farm activities under its Automatic Refinance Facility (ARF) Scheme stipulating a margin money of 5 per cent and 10 per cent in respect of composite integrated loan upto Rs. 3 lakhs and Rs. 5 lakhs respectively;

(b) whether it is also a fact that under 100 per cent ARF Scheme extended to scheduled commercial banks by NABARD for financing small and tiny industries upto Rs. 5 lakhs per unit by way of composite integrated loans stipulates security by way of hypothecation of assets created out of the loan assistance and no collateral security or third party guarantee is insisted to generate more employment under the new 20-Point Programme but scheduled commercial banks are absolutely not implementing such instructions of NABARD and thus not entertaining any credit proposal under NABARD ARF scheme for non-farm activities for small scale units for Rs. 5 lakhs; and

(c) what action Government have taken or proposed to take in the matter?

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

(a) National Bank for Agriculture and Rural Development (NABARD) has reported that it has not reduced the margin money for financing Non-farm activities under its Automatic Refinance Facility (ARF) Scheme.

(b) and (c) In accordance with the guidelines issued by RBI, no additional collateral security is to be obtained from beneficiaries for loans upto Rs. 5,000, in respect of agricultural and allied activities (Rs. 10,000 in respect of IRDP beneficiaries) and for loans upto Rs. 25,000, in respect of small scale industries, except hypothecation of the assets created out of bank loans.

All the banks are required to follow the above instructions. Appropriate action is taken by the banks concerned if there is any violation of these guidelines.