

1	2	3	4	5	6	7	8
23.	Uttaranchal			18386	17499.72	NA	NA
	Sub-Total			72747	48796.6	67693	78087.98
<b>E. Western Region</b>							
24.	Gujarat			41557	19046.13	4124	5667
25.	Maharashtra			38432	16448.28	NA	NA
26.	Goa			10452	6834.74	NA	NA
	Sub-Total			90441	42329.15	4124	5667
<b>F. Southern Region</b>							
27.	Andhra Pradesh			406386	387976.09	500536	676740
28.	Karnataka			112240	93124.66	101202	83977.68
29.	Kerala			76584	46612.44	104709	55449.66
30.	Tamil Nadu			181637	127485.25	158307	132564
31.	UT of Pondicherry					2585	2803
	Sub-Total			776847	655198.44	867339	951534.34
	Grand Total	1,105,749	6570.39	1227770	884926.24	1,081,474	1113174.47

\*\* Disaggregated data State-wise is not available

\*\*\* Data is provisional. Source : Data collected by NABARD through SLBC Sources

#### Objections to Participatory-notes

1061. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether there are strong objections over Government's decision for the continuation of Participatory-notes in the capital market;

(b) if so, Government's response thereto; and

(c) the details of corrective steps taken or proposed to be taken for checking the vulnerability and misuse of capital markets through Participatory-notes, which are undesirable instruments since they do not disclose the true identity of investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) to (c) SEBI has informed that, as per their records, no such opposition has been received from any entity.

Participatory Notes (PN) in the Indian context, is a derivative instrument issued in foreign jurisdictions, by an FI/ sub-accounts or one of its associates, against underlying Indian securities.

When a PN is traded on an overseas exchange, the regulator in that jurisdiction would be the authority to regulate that trade. However, SEBI also has provisions in terms of the SEBI (FII) Regulations, 1995, according to which an FII may issue Offshore Derivative Instruments (ODIs)/Participatory Notes (NPs) with Indian instruments as the underlying securities, subject to the subscriber being a regulated entity. Further downstream issue of PNs, if any, may also be done only to regulated entities. Besides, FIIs are required to report at the end of every month, in a prescribed format, all information relating to PNs issued by them including the names of subscribers to the said PNs. FII investments into India are also subject to Indian Anti-Money Laundering laws and strict KYC norms. SEBI has mandated that P-Notes with Indian underlyings can only be issued to regulated entities subject to 'Know-Your-Client' norms.

#### **Penalty for non-utilization of loans**

1062. SHRI GIREESH KUMAR SANGHI:

DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether India pays penalty for not using loans from agencies since 1991 and Government has paid Rs. 1400 crore to World Bank, Asian Development Bank and others;

(b) if so, whether his Ministry has revealed that many of its past projects are running far behind schedule and Government has been paying commitment charges of several hundred crores every year in 2007-08, and 2008-09 alone India paid Rs. 240 crores as commitment charges for the non-disbursed portion of sanctioned loans from World Bank and other donors; and

(c) if so, the reasons therefor and to what extent Government has been able to check this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) to (c) Commitment charge is payable on the amount of loan yet to be drawn and is an integral part of the general terms and conditions of loan from the World Bank, Asian Development Bank and Germany. In respect of Japan, it is payable for loans signed after October 2007. The commitment charge has to be paid as the entire loan amount is not disbursed in one instalment. Depending on the nature of project and its implementation schedule, the disbursement takes place over the project implementation period. Drawing the entire loan amount in one instalment will entail avoidable interest liability because the full amount cannot be spent in one go and would remain idle in Government account. Commitment charges, wherever levied, are usually a fraction of applicable interest rate.

A total of Rs. 1455.72 crores has been paid as commitment charges during 1991-2009. Out of this, Rs. 124.54 crores was paid in 2007-08 and Rs. 117.37 crores in 2008-09.