

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI BRAHM DUTT): (a) to (c) Import of sugar and edible oil is made to meet the gap between domestic demand and production. Since India is a major importer of both these commodities, it would not be in commercial interest to disclose their import plans.

Criteria For Extending Credit to Industrial Units by Nationalised Banks

1673. DR. R. K. PODDAR: Will the Minister of FINANCE be pleased to state;

- (a) what are the criteria for extending credit to industrial units by nationalised banks;
- (b) whether there is any different criteria for large, medium and small scale units; if so, what are the details thereof; and
- (c) what is the procedure for recovering credit from large, medium and small scale units?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) All commercial banks, including the nationalised banks extend working capital finance and term loans to industrial units, on the basis of lending norms prescribed by Reserve Bank of India. With a view to closely supervising credit extended by banks to larger borrowers, it introduced in 1955 the Credit Authorisation Scheme (CAS) under which proposals for working capital limits for Rs. 1 crore and above for industrial and trading concerns were required to be referred to it for prior authorisation. In August and September, 1975 based on the Report of the Tandon Committee, detailed instructions applicable to all borrowers with working capital facilities of Rs. 10 lakhs and above were issued to banks on inventory/receivables norms which they were expected to follow for working out the working capital limits. The cut

off point for advances requiring the Reserve Bank of India's prior authorisation has been revised from time to time. The cut off point for advances at present is Rs. 6 crores in the case of non-exporter borrowers and Rs. 7 crores in the case of exporter borrowers.

Under the guidelines issued by Reserve Bank, special consideration has to be given by banks to the credit needs of the priority sector borrowers which include small scale industrial units. While considering credit proposals, the banks have to be guided largely by the viability of projects, applicants skills/experience, integrity and ability to organise activity or business and not merely by the tangible securities which the borrowers can provide.

(c) So far as working capital limits are concerned, they are normally sanctioned for a specified period, at the end of which a review is made for considering whether the facilities are to be continued at same level or at a reduced/enhanced level. So far as term loans are concerned, number and amount of instalments as also period over which they are to be repaid are fixed at the time of sanction of these loans. Term loans sanctioned to small scale units are normally repayable between three to seven years. If any industrial unit faces problems in adhering to repayment schedule, lending bank reviews the position and if considered necessary, it suitably reschedules instalments.

Construction of 5-Star Hotels on the Eve of Asiad'82

1874. SHRIMATI KANAK MUKHERJEE: Will the Minister of TOURISM be pleased to state:

- (a) how many ITDC 5 Star hotels were planned to be constructed on the eve of the Asiad'82 and at what cost;
- (b) the total expenditure incurred on each hotel;

(c) the particulars of the 5-Star hotels constructed on the eve of Asiad'82; and

(d) the particulars of the hotels yet to be constructed and estimated cost of construction of the rest of the hotels?

THE MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI SONTCSH MOHAN DEV): (a) and (b) For ASIAD' 82, ITDC planned and constructed only one 5-Star hotel viz. the Samrat at a total expenditure of the order of Rs. 19 crores.

(c) The Hotel Samrat which was commissioned in November 1982 has a capacity of 272 rooms (221 twins, 36 doubles, 2 deluxe suites, 13 apartments), coffee shop, restaurants bar, party room, shopping arcade, swimming pool, etc.

(d) The question does not arise in view of (a) above.

Non-Supply of Information to UN regarding torture

1875. SHRIMATI KANAK MUKHERJEE: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether it is a fact that on March 13, 1985, the UN commission on Human Rights appointed a Special Rapporteur "to examine questions relevant to torture";

(b) if so, whether India is one of the 43 countries which did not send any information regarding domestic legislation on torture; and

(c) if so, what are the facts thereof?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI K. R. NARAYANAN): (a) to (c) Under a resolution adopted by the Commission on Human Rights on March 13, 1985 it was decided to appoint a Special Rapporteur for a period of one year to examine questions relevant to torture and

to submit a report to the Commission at its 42nd Session. India did not send information to the Special Rapporteur prior to the submission of his report on February 11, 1986. Only 43 member States of the UN were able to provide information sought by that date. On March 13, 1986 the Commission decided to continue the mandate of the Special Rapporteur for another year to enable him to submit a further report to the Commission during its 43rd Session in 1987. The relevant information is being collected, so that it might be made available to the special Rapporteur before the next session of the Commission.

Treatment of companies as joint Ventures abroad

1876. PROF. C. LAKSHMANNA: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that a large number of companies like Jiya-jee Rao Cotton Mills Ltd., Raymond Woollen Mills¹ Ltd., Bombay Burmah Trading Corporation Ltd., and Shaw Wallace and Co. Ltd. are not treated as Indian Joint venture abroad;

(b) if so, since when these investments are being held by the Indian companies and what are the reasons for not considering them as joint ventures;

(c) whether these companies have been permitted by Government to invest abroad; and

(d) if so, how far the activities of foreign companies are in conformity with the business objectives of the investing Indian companies?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI BRAHM DUTT): (a) and (c) Companies formed abroad, with Indian Companies participating in equity with foreign collaborators, are treated as joint ventures. Companies set up abroad wholly owned by Indian holding companies are treated as Subsidiaries .