

Statement

(a) The scheme of concessional finance for weaker sections, known as the Differential Rate of Interest scheme, is still effective. The total amount outstanding and the borrowal accounts under the Scheme for public sector banks is given below :—

(Amount in crores of Rs.)

Dec. 1975		Dec. 1976		Dec. 1977		March 1978	
No. of borrowal A/cs.	Amount outstand- ing	No. of borrowal A/cs.	Amount outstand- ing	No. of borrowal A/cs.	Amount outstand- ing	No. of borrowal A/cs.	Amount outstand- ing
464811	20.99	1005061	47.24	1381440	67.82	1412488	71.69

(Data provisional)

(b) The rate of interest charged for advances under the Differential Rate of Interest scheme is 4 per cent p.a.

Foreign Assistance for Development Projects in States

*355. SHRI S. W. DHABE;
SHRI L. R. NAIK;
SHRI SATCHIDANANDA;

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Central Government pass on to the States concerned only 70 per cent of the assistance received by them from the IDA and other international agencies for development projects, retaining the remaining 30 per cent; and

(b) if so, what are the reasons therefor?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b) All assistance from IDA and other international agencies for development projects in Central as well as State sectors is received by the Government of India and thus all such assistance enters the Central pool of national resources for the benefit of the national economy as a whole. From this pool of Central resources, in turn, assistance is rendered by the Central Government to the State Governments for their plan projects. However, with a view to

encouraging the State Governments to undertake speedy execution of projects, the Government of India have decided to give for the year 1978-79, 70 per cent of the financial assistance received from the International Finance Bodies on account of the on-going and new projects executed by the State Governments as additional Central Assistance for the State Plans.

Illegal Transactions by Some Businessmen of Bombay

*356. SHRI SYED AHMAD
HASHMI;
SHRIMATI SUSHILA
SHANKAR ADIVARE.
KAR:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Enforcement Directorate has recently detected illegal transactions running into lakhs of rupees by three businessmen of Bombay in contravention of the provisions of the Foreign Exchange Regulations Act;

(b) if so, what are the details in this regard; and

(c) what action Government have taken against the persons involved?