

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) No, Sir.

(b) There is no such proposal.

Equity shares for import of capital goods

2992. SHRI A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

(a) whether the RBI has allowed domestic companies to issue shares against the import of capital goods and machinery making it easier for them to expand;

(b) if so, the details thereof;

(c) whether the companies will have to get prior approval of Government to trade equities for imports and it has also been decided to permit issue of equity shares/preference shares under the Government route of the FDI scheme for import of capital goods; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) and (c) Yes, Sir.

(b) and (d) The extant Foreign Direct Investment (FDI) policy on this subject is contained in Para 3.4.6 (iii) of the 'Circular 2 of 2011- Consolidated FDI Policy', issued by the Department of Industrial Policy and Promotion. This is available on the website <http://dipp.nic.in>

This FDI policy is also reflected in the RBI Circular A.P. (DIR Series) Circular No. 74 dated 30.6.2011 and is available on www.rbi.org.in

Demand for credit

2993. SHRI BAISHNAB PARIDA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that banks loan growth fell below RBI projection;

(b) if so, the reasons therefor; and

(c) the steps Government is taking to create conditions conducive for picking up demand for credit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) to (c) The year on year non-food credit growth of scheduled commercial banks decelerated from the peak of 24.2 per cent in December, 2010 to 21.3 per cent at end-March, 2011 and further to 17.4 per cent in November, 2011. Credit growth needs to be consistent with the current and evolving growth-inflation dynamics. Considering the persistence of inflation at a level much