

Foreign currency convertible bonds

40. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have issued guidelines for foreign currency convertible bonds;

(b) if so, the details thereof; and

(c) what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Yes, Sir. Government notified a scheme called the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (FCCBs). This facilitates Indian companies to access International Capital Markets for their long term capital requirements.

Revisions/modifications in the operative guidelines are announced from time to time in line with liberalisation made for External Commercial Borrowings. In January 2004, the scheme for issue of FCCBs has also been liberalized in regard to interest rates and procedures etc. All FCCBs, in consonance with published guidelines are on the automatic route upto USD 500 million. All corporates, except Banks, NBFCs and Financial Institutions are eligible to access the above scheme. These guidelines are available on the web-site of the Ministry of Finance.

Market stabilisation bonds

41. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are seriously considering to launch market stabilisation bonds during the current fiscal year; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Central Government, in consultation with the Reserve Bank of India, has launched Market Stabilisation Scheme since April 2004. The Scheme envisages issue of

dated securities and/or treasury bills within a specified ceiling, so as to absorb excess liquidity in the market. The receipts are being maintained in a separate account with RBI and are to be utilized only for repayment purposes.

Financial assistance to Himachal Pradesh

†42. SHRI KRIPAL PARMAR: Will the Minister of FINANCE be pleased to state:

(a) the details of the financial assistance provided by NABARD to Himachal Pradesh during the last three years, year-wise and district-wise;

(b) the area where investment has been made and the extent thereof;

(c) whether there has been a continuous fall in the disbursement of loans under Rural Infrastructure Development Fund (RIDF) by NABARD despite increase in the fund every year;

(d) if so, the reasons therefor; and

(e) the steps taken by Government to raise RIDF?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) (a) Details of the financial assistance provided by NABARD under Rural Infrastructure Development Fund (RIDF) to Himachal Pradesh (District-wise) during the last three years are given in the Statement I (See below). Details of refinance support provided by NABARD to Himachal Pradesh (District-wise) during the last three years are given in the Statement II (See below).

(b) RIDF funds were utilized mainly on projects related to rural connectivity, minor irrigation, soil conservation, primary health centres, power system improvement etc.

(c) and (d) No, Sir. There has been increase in disbursement under RIDF over the last three years.

(e) RIDF assistance to Himachal Pradesh is increasing.

†Original notice of the question was received in Hindi