

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SANTOSH KUMAR GANGWAR): (a) National Bank for Agriculture and Rural Development (NABARD) has reported that the quantum of refinance for Cooperative Banks depends on the Short Term Cooperative Rural Credit (Refinance) Fund, which is made available to NABARD from out of the shortfall in priority sector lending targets by commercial banks. Other factors taken into consideration for determining the quantum of refinance by NABARD are Capital to Risk Weighted Assets Ratio (CRAR), Net Non-Performing Assets (NPA) level, realistic lending programme and backwardness of the State/regions. As per the policy circular of NABARD, the normal quantum of refinance for 2016-17 for State Cooperative Banks (StCBs) has been set as under:—

- 40 per cent of their Realistic Lending Programme (RLP) for general areas including Gujarat.
- 45 per cent of the RLP for the Eastern region including Bihar, Odisha, West Bengal, Chhattisgarh, Jharkhand and 28 districts of Eastern Uttar Pradesh.
- 60 per cent of RLP for the North Eastern Region (NER), Jammu and Kashmir, Sikkim, Andaman and Nicobar Islands, Himachal Pradesh and Uttarakhand.

(b) NABARD has informed that it is not working on a pilot project for intra-village infrastructure development. NABARD has further informed that the infrastructure projects duly prioritized by State Governments and posed to NABARD by them are being financed under Rural Infrastructure Fund (RIDF) as per the norms of lending; and at present 36 activities are eligible for financing under RIDF under three broad sectors, viz. Irrigation and Agri related, Rural Connectivity and Social Sector.

#### **Interest rate of MTC loans for affected farmers**

2334. SHRI HARSHVARDHAN SINGH DUNGARPUR: Will the Minister of FINANCE be pleased to state whether Government is considering to provide interest rate and interest subvention as in the case of crop loans so that Multi-State Tax Commission (MTC) loans to the affected farmers can be provided at par with crop loans; and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): With a view to ensuring availability of agriculture credit at a reduced interest rate of 7% p.a. to farmers, the Government of India in the Department of Agriculture, Cooperation and Farmers' Welfare implements an interest subvention scheme for short term crop loans up to ₹ 3.00 lakh. Under the said scheme, additional subvention

of 3% is given to those farmers who repay their short term crop loan in time, thereby reducing the effective rate of interest to 4% p.a. for such farmers. Further, as per the Interest Subvention Scheme, 2016-17, in order to provide relief to farmers affected by natural calamities, the interest subvention of two per cent will continue to be available to banks for the first year on the restructured amount. Such restructured loans may attract normal rate of interest from the second year onwards as per the policy laid down by the Reserve Bank of India (RBI).

As regards Multi-State Tax Commission loans, no such proposal has been received by the Government.

**Poor response to capital formation and corporate investment in economy**

2335. SHRI A. K. SELVARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that data on mobilization by way of initial public offers suggests that the trend did not signal a revival in capital formation and corporate investment in the broader economy;

(b) whether it is also a fact that of the ₹ 16,980 crore raised through public issues in the six months period ended September 30, 2016, only 23 per cent accounted for fresh capital raised by companies for future expansion; and

(c) whether it is also a fact that some of the largest issues during this period did not see any fresh capital raised, if so details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ARJUN RAM MEGHWAL): (a) The fresh issuance for the first six months ended September 30, 2016 was higher at ₹ 4,190 crore as against ₹ 2,954 crore raised during the six months ended September, 2015 depicting an increase in mobilization of fresh resources by the issuer companies. The same is tabulated below:—

Period Ended	Number of IPOs	Total amount raised [including Small and Medium Enterprises- Initial Public Offer (SME IPO)] (₹ crore)	Fresh Issuances (₹ crore)
April 2015-Sep. 2015	39	4,904	2,954
April 2016-Sep. 2016	57	17,317	4,190

(b) The data of IPOs opened during the six months period ended September, 2016 indicates that an amount of ₹ 17,317 crore (including SME IPOs) was raised through 57 IPOs (including 42 SME IPOs). Further, while 76% of IPO capital (₹ 13,127