

- (ix) Technical assistance and advice to food processing industry

Waiver of interest on crop loans to Karnataka farmers

1993. SHRI K.B. KRISHNAMURTHY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the Karnataka Government has sought waiver of interest on crop loans availed by the Karnataka farmers in view of the severe drought in Karnataka;

(b) if so, the amount of interest sought to be waived; and

(c) the action, if any, taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) In view of the failure of South-West Monsoon in many parts of the country, Government of India has decided not to effect any recovery of the crop loans, including interest during the current financial year in the affected states including Karnataka. Accordingly, RBI has advised all scheduled commercial banks in November, 2002 that for Kharif 2002-2003, the following reliefs may be extended by commercial banks to the farmers affected by drought, in the districts notified by the State Governments:

- i) There should be no recovery of any amount either by way of principal or interest during the current financial year in respect of Kharif crop loan;
- ii) the principal amount of crop loan should be converted into term loan and will be recovered over a period of minimum five years in the case of small and marginal farmers and four years in the case of other farmers;
- iii) Interest due in the current financial year on crop loan should also be deferred. No interest should be charged on the deferred interest.

De-mutualisation of Indian stock exchanges

1994. MISS MABEL REBELLO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) what steps are being taken by Government for expeditious de-mutualisation of Indian stock exchanges;

(b) what steps have been taken by Government for tackling the white-collar crimes in the financial market; and

(c) what steps have been or are being taken by Government and SEBI to ensure that the investors at large do not get a much lower price than paid by Grasim to Reliance for Larsen and Tubro shares?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Securities and Exchange Board of India (SEBI) had constituted a group under the Chairmanship of Justice M.H. Kania, former Chief Justice of India, which has submitted its report. The main focus of the recommendations of the Committee is to separate the trading membership from the ownership of the stock exchanges and to have a set of independent body govern the stock exchange in a professional manner. The recommendations of the report of the Committee have been accepted by the SEBI Board for implementation.

(b) the Parliament has, in the current session passed the Money laundering Bill with the objective of preventing money-laundering and confiscation of property derived from, or involved in money-laundering.

(c) SEBI conducted an investigation in terms of chapter V of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 on the alleged violations, if any, with regard to the acquisition of 25,000,000 equity share, aggregating 10.05% of the paid up and voting capital of L&T, by Grasim Industries Ltd. on 18th November, 2001. After investigation, SEBI ordered the Company not to proceed further with the open offer formalities pursuant to the public announcement made on 14th October, 2002.

Grasim Industries challenged the order of SEBI before the Securities Appellate Tribunal (SAT), SAT has not agreed to order for the stay of the implementation of the order of SEBI.

Search and seizure powers of SEBI

1995. MISS MABEL REBELLO: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) in what manner the new powers of search and seizure given recently to SEBI are going to help the public investor in the light of SEBI's extremely poor track record of detecting frauds;