

[6 May, 2003]

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whether Moody's investment analysis have commented that India will find it difficult to meet its fiscal deficit target for the year 2003 -04 as a result of cut in taxes and stepping up spending on infrastructure sectors;

if so, whether Moody's report also states that India is already having a huge and growing debt burden; and

whether Government are considering to slash the debt burden in view of excess foreign exchange reserves held by it at present?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Moody's Investors Service while upgrading India's country ceiling for foreign currency debt to 'Ba1' from 'Ba2' in February, 2003 expressed concern about the state of public finances including fiscal deficit and public debt.

(c) Government is committed to achieve fiscal consolidation through measure which *inter alia*, include reduction in debt burden by prepaying outstanding costlier loans reducing the cost of borrowings and elongation in the maturity profile of loans.

FDI realisation rate

4668. SHRI EKANATH K. THAKUR : Will the Minister of FINANCE be pleased to state :

whether it is a fact that India had recorded the highest ever FDI realisation rate (inflows to approval ratio) of 191.1 per cent in rupee terms during the year 2002;and

the total FDI inflow in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) and (b) India has recorded the highest ever FDI realisation rate (inflows to approval ratio) of 191.8 per cent in rupee terms during the year 2002 and the total FDI inflows received during the year in the country excluding ADRs/GDRs amounted to Rs. 16,218.44 crore (US\$ 3,378.84 million).

Guidelines for Asset Reconstruction Companies

4669. SHRI RAMA MUNI REDDY SIRIGIREDDY : Will the Minister of FINANCE be pleased to state :

whether the RBI has issued the final set of guidelines for Asset Reconstruction Companies:

if so, the details of guidelines issued by RBI;

whether the capital adequacy ratio has been specified for the ARCs; and

if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (d) Yes, Sir. RBI has issued the guidelines for Asset Reconstruction Companies, details of which are available at the web-site of RBI at www.rbi.org.in. In these guidelines RBI has also specified the Capital Adequacy Ratio for Asset Reconstruction Companies.

NPA's of Punjab and Sind Bank

4670. SHRI BHAGATRAM MANHAR: Will the Minister of FINANCE be pleased to state :

whether it is a fact that Reserve Bank of India (RBI) has issued guidelines to all Nationalised Banks for settlement of NPAs on most attractive terms;

if so, what are the details of these guidelines;

whether Punjab and Sind Bank has given inadequate time to individuals to settle their NPAs and if so, the reasons therefor; and

whether RBI would instruct the PSB to extend the time limit at least for three months i.e., upto June, 2003 so that more and more individuals come forward and settle their outstandings?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Reserve Bank of India (RBI) has issued a fresh one-time settlement scheme on 29th January, 2003 for compromise settlement of chronic NPAs upto Rs. 10 crore. The cut-off date for such NPA accounts was 31st March, 2000. The last date for receipt of applications was 30th April, 2003 and processing of such applications is required to be completed by 31st October, 2003. These guidelines will not cover cases of wilful default, fraud, malfeasance.

(c) Punjab and Sind Bank has circulated the above scheme to its branches on 7th February, 2003.