

[English]

Setting up of Rural banking Subsidiaries

1830. SHRIMATIBASAVARAJESWARI:
SHRI VIJAY NAVAL PATIL:

Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to set up rural banking subsidiaries; and

(b) if so, the details thereof and reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) and (b). the committee on the Financial System under the Chairmanship of Shri M. Narasimha in its report has *inter alia*, recommended that each public sector bank should set up one or more rural banking subsidiaries, depending on the size, and administrative convenience of each sponsor bank, to take over all its rural branches and, where appropriate, swap its rural branches with those of other banks. so far, no decision has been taken in this regard.

Debt Relief under the Agricultural and Rural Debt Relief Scheme

1831. SHRIMATI BASAVA RAJESWARI: Will the Minister of FINANCE be pleased to State:

(a) whether the loan waivers scheme formulated by the Government has ended;

(b) whether the benefit under the scheme was for the full loan or for a part of it;

(c) whether some State Governments have re-started the recovery of the loans after the scheme ended; and

(d) if so, the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir. The Agricultural and Rural Debt Relief (ARDR) Scheme, 1990 came to a close on March 31, 1991 in all the states except in Assam and Jammu and Kashmir where the scheme was closed on June 30, 1991.

(b) The ARDR Scheme envisaged debt relief to the extent of Rs. 10,000/- of the eligible loan (overdues) outstanding, as on the effective date i.e. October 2, 1989, whichever is less, to eligible beneficiaries as defined under the Scheme.

(c) and (d). The recovery of dues from borrowers by financial institutions is their normal activity and the debt relief measures announced by the Government of India do not prohibit the same. there was no stoppage of recovery efforts by banks in respect of loans not covered under the ARDR Scheme and therefore the question of re-starting recovery does not arise.

Amendment to FERA, 1973

1832. SHRIMATI BASAVARAJESWARI: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to amend the Foreign Exchange Regulation Act, 1973;

(b) if so, the details thereof and the main reasons therefor;

(c) the time by which the Act is likely to be amended; and

(d) the extent to which this is likely to facilitate the entry of foreign investments in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) The details of the amendments proposed to be made are being worked out with a view to remove certain restrictive provisions which have lost relevance in the context of the liberalised Trade and Industrial Policies announced by the Government.

(c) A Bill is likely to be introduced shortly for this purpose.

(d) As a result of general exemptions granted under sections 26 (7), 28, 29 and 31 of Foreign exchange Regulations Act, 1973, to FERA companies, foreign investments in the country has been greatly facilitated.

Jute Production

1833. **SHRIMATI BASAVA RAJESWARI:** Will the Minister of TEXTILES be pleased to state:

(a) whether production targets of Jute have not been achieved during the current year;

(b) if so, the reasons therefor and the details of the production; and

(c) the steps taken to make good the shortage in the Jute Production?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT): (a) The target of production of 91.00 lakh bales of raw jute and mesta during the 1991-92 jute season is likely to be achieved.

(b) and (c). do not arise.

Cooperation with Israel in Defence Field

1834. **SHRI SYED SHAHABUDDIN:**

**KUMARI UMA BAHARI:
SHRI SARAT CHADNRA,
PATTANAYAK:
SHRI R. SURENDER REDDY:**

Will the Minister of DEFENCE be pleased to state:

(a) whether the Government are considering the possibility of cooperation between India and Israel in the field of defence;

(b) whether the areas of cooperation have been identified;

(c) if so, the details thereof;

(d) whether there has been any preliminary exchange of views between the two countries at any level in this regard;

(e) whether there is a possibility of exchanging defence equipment as well as military training missions between the two countries in the near future; and

(f) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI SHARAD PAWAR): (a) to (c). No specific proposals of Defence cooperation between India and Israel are presently under consideration.

(d) to (f). In view of establishment of normal relations with Israel, no specific area of future cooperation can be ruled out.

Funds for Second Hooghly Bridge

1835. **SHRI CHITTA BASU:** Will the Minister of SURFACE TRANSPORT be pleased to state:

(a) whether the Government of West Bengal has requested the Union Government to grant more financial assistance for