

amount of loss suffered by India Tourism Development Corporation on this account;

(c) the action taken against the persons found guilty in this regard; and

(d) if no action was taken, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS AND MINISTER OF STATE IN THE MINISTRY OF TOURISM (SHRI SATYA PAL MALIK): (a) to (d). I.T.D.C. rented out 15 Mercedes Benz cars to M's Crest Hotels Ltd. Bombay (alongwith services of chauffeurs for each car) against consideration of a guaranteed monthly amount of Rs. 2.75 lakhs (less discount/commission) for a period of 5 years, commencing from 17 March 1984. The terms of contract were later revised w.e.f 1.8.1984.

As a result of shortfalls in payment by M/s Crest Hotels Ltd., the contract was terminated in May, 1985, when the amount in default was Rs. 12.68 lakhs. A civil suit was filed by I.T.D.C. in November, 1985 for recovery of amount, with 20% interest, and the same is pending in the Bombay High Court. Investigations were made by the Vigilance Division of ITDC in 1988. On the basis of their report major penalty action was initiated in August, 1989 against Regional Manager (West) who has been charge-sheeted. Inspection of the documents has since been completed by the charge-sheeted official.

Increasing of Interest Rate on Term Loans by S.B.I.

7640. SHRI B.N. REDDY:
SHRI K.S. RAO:
SHRI T. BALA GOUD:

Will the Minister of FINANCE be pleased to state:

(a) whether the State Bank of India has decided to increase the interest rates on term loans;

(b) if so, the details thereof;

(c) the objectives behind charging higher rates for long term advances;

(d) whether the increase in interest rate would adversely affect the customers; and

(e) if so, the steps contemplated in the matter?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): (a) to (e). State Bank of India has reported that consequent on the removal of the ceiling on interest rate on term loans by the Reserve Bank of India with effect from October, 1988, they (SBI) and other nationalised banks have decided to charge large industries, interest on term loans ranging from 16% to 17.5%. Units adhering to the financial discipline and run on sound lines as exhibited by relevant financial parameters will be eligible for the lower rate of 16% and units with a lower credit rating leased on the same parameters will be charged higher interest upto 17.5%

State Bank of India has further reported that the revision of interest rate applies only to large industries and does not apply to small scale industries and agricultural borrowers.

Indira Vikas Patra

7641. SHRI PRATAPRAO B. BHOSALE: Will the Minister of FINANCE be pleased to state:

(a) whether Indira Vikas Patras are available in different denominations;

(b) if so, the details thereof with the