

percent and for loans upto Rs. 2 lakhs, it is 13.5 percent. Given the Margin Money as grant, the effective rate stands reduced to the extent of 25 percent. As an alternative source, the KVIC, in order to facilitate availability of credit has, under the guarantee of the Central Government made available a total amount of Rs. 1000 crores as credit from a Consortium of Banks. The State Boards and Institutions can access this Consortium Credit through KVIC. The interest charged by the Consortium of Banks is 1.5 percent below the Prime Lending Rate, over the above which the KVIC takes some charges for its services provided. At present, the rate of interest charged, for the Consortium Credit availed, works out to 16.5 percent per annum.

(c) and (d) This Department had received some representations against high rate of interest.

(e) to (g) No, Sir. However, this Department have approached Ministry of Finance for examining the possibility of reducing the rate of interest by banks.

[Translation]

Profit and Loss of Indian and Foreign Bank

1275. SHRIMATI BHAVNABEN DEVRAJ BHAI
CHIKHALIA :
SHRIMATI SHEELA GAUTAM :

Will the Minister of FINANCE be pleased to state :

(a) the details of the profit earned/loss suffered by the Indian and Foreign Banks, separately during each of the last three years;

(b) whether the business transacted by the Foreign Banks during the year 1996 was more than the business transacted by the Indian Banks;

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

(d) the steps taken by the Government to improve the performance of the nationalised banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (d) The information is being collected and will be laid on the Table of the House.

[English]

Cement Paint Industry

1276. SHRI MANIBHAI RAMJIBHAI CHAUDHARI:
Will the Minister of INDUSTRY be pleased to state :

(a) whether it has come to the notice of the Government that some fake cement paint manufacturing companies are functioning in the country; and

(b) if so, the details thereof alongwith the action taken by the Government against such companies?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) No specific complaint has recently been received in the Ministry of Industry regarding functioning of fake cement paint manufacturing companies in the country.

(b) Does not arise.

[English]

Violation of Norms by Amex Bank

1277. SHRI SANDIPAN THORAT : Will the Minister of FINANCE be pleased to state :

(a) whether attention of the Government has been drawn to the newsitem captioned "RBI report shows violation of norms by Amex Banks" appearing in the 'Business Standard' dated February 3, 1997;

(b) if so, the details of the facts in this regard;

(c) the details of the reported irregularities committed and the industrial unit involved; and

(d) the details of action taken/proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (d) Information is being collected and will be laid on the Table of the House.

Alleged Shielding of Scam-Tainted Bank

1278. SHRI I.D. SWAMI : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 2268 dated 6, 1996 and state the details of the progress made by the CBI in the case registered by it against the then CMD of Indian Bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : Central Bureau of Investigation has reported that during the course of investigation, searches were conducted in seven places and some documents have been collected for scrutiny.

Economic Offences

1279. SHRI SHANTILAL PARSOTAMDAS PATEL :
SHRI DINSHA PATEL :

Will the Minister of FINANCE be pleased to state :

(a) whether economic offences are registering a sharp rise in the country;

(b) if so, steps taken by the Government to check economic offences;

(c) whether the Government are aware of setting up of an independent Bureau by the Government of Gujarat to tackle economic offences; and

(d) if so, whether the Government would issue guidelines to the States to set up independent body to tackle the situation on the lines of Gujarat State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (d) The information is being collected and will be laid on the Table of the House.

Fiscal Deficit

1280. SHRI I.D. SWAMI : Will the Minister of FINANCE be pleased to state :

(a) whether the Comptroller and Auditor General has cautioned the Government against taking out of money from the oil pool to reduce the fiscal deficit;

(b) if so, the reaction of the Government thereto;

(c) the amount of the deficit in the oil pool as on date and how does the Government propose to make up that deficiency;

(d) the effects of this deficiency on the common man; and

(e) the steps taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (e) The information sought is being collected.

Revival Plan of Indian Bank

1281. SHRI ANANT GUDHE : Will the Minister of FINANCE be pleased to state :

(a) whether attention of the Government has been drawn to the newsitem captioned "ICRA submits Indian bank revival blueprint" appearing in the 'Business Standard' dated February 4, 1997;

(b) if so, the facts of the matter mentioned therein;

(c) the details of action taken/proposed to be taken by the Government thereon in this regard; and

(d) the details of the present status of the proposal?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Yes, Sir.

(b) RBI have received the interim report of Investment and Credit Rating Agency (ICRA) relating to Indian Bank. According to RBI this interim report focusses on a short term strategy covering the years 1996-97 and 1997-98. ICRA has not yet submitted its final report on the revival plan of Indian Bank. The question of taking appropriate action will arise only after the receipt and examination of the final report of ICRA regarding Indian Bank.

(c) and (d) The Indian Bank management have to crystallise short term and long term objectives and implement the necessary steps with required changes. ICRA is yet to submit its final report which would cover some of the major areas of the operations of the bank.

Loan Distributed by Banks in Karnataka

1282. SHRI B.L. SHANKAR : Will the Minister of FINANCE be pleased to state :

(a) the number of branches of Scheduled and Nationalised banks in Karnataka;

(b) the amount of total loan disbursed to various sectors by these banks in the State during each of the last three years; and

(c) the number of branches of these banks opened during each of the last three years and likely to be opened during the current financial year in the State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) There were 4445 branches of Scheduled Commercial Banks functioning in Karnataka as on the last Friday of March, 1996.

(b) Loans disbursed by all Scheduled commercial banks in Karnataka under Annual Credit Plan during the last three years as reported by Reserve Bank of India (RBI) are given below :

	(Rs. in crore)		
	end March 1994	end March 1995	end March 1996
Agriculture and Allied Activities	412.59	478.93	601.70
Small Scale Industries	134.21	110.04	195.32
Services	131.77	225.89	378.24

(c) Information regarding number of branches opened in Karnataka during each of the last three years is being collected and will be laid on the Table of the House. However, the number of authorisations issued to scheduled commercial banks including private sector banks between April 1, 1995 to January 31, 1997 for opening branches in Karnataka and which are yet to be opened as per the information available with Reserve Bank of India is given below :

Bank	Number of Authorisations
Public Sector Banks	55
Regional Rural Banks	6
Private Sector Banks	13
Total	74