

on term loan from 100 per cent Export-oriented units;

(b) if so, whether as a result thereof they are being deprived of a rebate of 1.5 per cent; and

(c) whether Government would lay on the Table an uptodate copy of the directions issued for financial institutions in regard to the interest charged on term loans from 100 per cent Export-oriented units situated in backward areas and other places in the country ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). The Financial Institutions, namely IDBI, IFCI and ICICI extend a rebate of 1.5 per cent on the applicable interest rate to 100 per cent Export-oriented units during the first 5 years of their operation on the basis of their actual export performance each year. A similar rebate of 1.5 per cent is also extended under refinance scheme in respect of term-loans granted to Export-oriented units in the small and medium sectors. The rebate is not allowed on foreign currency loan.

The rates of interest charged by the Export-Import Bank of India from 100 per cent Export-oriented units are 9 per cent per annum for acquisition of plant and machinery from Indian suppliers and 12½ per cent per annum for acquisition of other assets.

Government have not issued any directions to financial institutions regarding the interest rates in this regard.

**Review of working of 100 per cent export-oriented schemes**

2322. PROF. SAIFUDDIN SOZ : Will the Minister of COMMERCE be pleased to state :

(a) whether the Indian Institute of Foreign Trade which was asked by Government to go into the working of 100 per cent Export-Oriented Scheme has submitted its report; and

(b) if not, by what time it is expected ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI BRAHMA DUTT) : (a) and (b). The Indian Institute of Foreign Trade has submitted an interim report to the Government. The Institute has been requested to furnish its final report as early as possible.

[Translation]

**Guidelines regarding advancing of loans against shares of companies**

2323. SHRI SHANTI DHARIWAL : Will the Minister of FINANCE be please to state :

(a) whether it is a fact that Reserve Bank of India had issued guidelines to banks regarding advancing of loans against the shares of companies;

(b) if so, the number of banks which did not follow the guidelines issued by the Reserve Bank of India indicating the names of those banks and the number of the companies to which loans were advanced;

(c) whether the Government have so far taken any action against the banks concerned; and

(d) if so, the details thereof and if not, the reasons therefor ?

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

(b) According to a recent quick scrutiny carried out by Reserve Bank of India, nine banks have advanced loans to sixty three companies against the security of shares/debentures of Reliance Industries Ltd. (RIL) in 1985. According to Reserve Bank of India, the banks have, prima-facie, not followed spirit of guidelines in this regard.

(c) and (d). A Committee has since been appointed by Reserve Bank of India to look into all the relevant aspects in the matter in detail. The Committee has been asked to submit its report within two months and necessary action will be taken thereafter.