

(d) Dividend on NRI investment in units is paid in rupees but can be remitted abroad if the original investment has been made by the NRI investors in foreign exchange and the concerned investor continues to be an NRI.

[*Translation*]

Crisis in Aluminium Industry

2870. SHRI BALESHWAR YADAV: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether there is acute shortage of raw material in the aluminium industry; and

(b) if so, the steps proposed to be taken by Government to remove the shortage of raw material in this industry?

THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU): (a) and (b). There is no acute shortage of raw materials for production of aluminium in the country. Sometimes individual units may face certain difficulties in procuring a particular raw material for which suitable action is taken on case to case basis.

[*English*]

Refinancing of Cooperative Banks and State Land Development Banks in Karnataka by NABARD

2872. SHRI C. P. MUDALAGIRI-YAPPA:

SHRI V. KRISHNA RAO:

Will the Minister of FINANCE be pleased to state:

(a) whether the National Bank for Agri-

culture and Rural Development (NABARD) has stopped refinancing facilities to State Cooperative Banks and the State Land Development Banks in Karnataka;

(b) if so, the reasons therefor; and

(c) the action proposed to be taken by Union Government to resume the flow of credit from NABARD to Karnataka?

THE MINISTER OF FINANCE (PROF MADHU DANDAVATE): (a) to (c). The availability of refinance facilities from the National Bank for Agriculture and Rural Development (NABARD) is subject to compliance with instructions/guidelines issued by the Reserve bank of India (RBI) NABARD. In the State of Karnataka, an interest subsidy scheme through the Co-operatives had been put in operation. As implementation of the interest subsidy scheme through the Co-operative is a violation of the instructions of RBI/NABARD, refinance to the State Co-operative Bank (SCB) AND THE STATE LAND DEVELOPMENT BANK (SLDB) in the State was stopped by NABARD in December, 1988. However, refinance was resumed subsequently on the condition that the past dues from the State Government on account of implementation of the interest subsidy scheme should be recovered on or before 31st December, 1989. As the State Government did not clear the dues before 31.12.1989, refinance was again stopped to the SCB and the SLDB from 1st January, 1990. Thereafter State Government cleared the entire dues to the SLDB on 15.1.1990. Therefore, the NABARD resumed refinance to the Karnataka SLDB with effect from 20.1.1990. As regards the SCB, refinance was resumed from 2nd March, 1990 on an assurance given by the State Government that the entire dues to the SCB will be cleared before September, 1990.