

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a), (b) and (d). The Reserve Bank of India (RBI) has reported that no specific complaints have been received by it that banks are not providing loans to public sector undertakings (PSUs). It may, however, be added that in case of PSUs other than sick PSUs, banks consider extending financial assistance for their new expansion projects based on the viability of the project and compliance of their usual norms regarding promoters contribution, debt equity ratio, current ratio, prudential exposure limits etc. In respect of sick PSUs, where a scheme for rehabilitation is sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985 (SICA), banks provide facilities in terms of sanctioned scheme. In case of other sick PSUs (where BIFR is yet to take a decision), banks allow 'holding-on' operations and extend need based support on a case to case basis.

(c) Government guarantees to nationalised banks for loans granted to public sector undertakings are considered on a case to case basis.

Tourism Pact with Turkey

3723. SHRIMATI VASUNDHARA RAJE : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) whether India and Turkey have signed a Tourism pact;

(b) if so, the details thereof; and

(c) the likely benefits that may accrue?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD) : (a) Yes, Sir. India and Turkey have signed a Bilateral Tourism Cooperation Agreement on 31.1.1995 in New Delhi.

(b) The parties will promote and expand tourism between the two countries. Both the countries will carry out joint publicity campaigns; exchange tourism promotional material and explore the possibility of joint collaboration for investments in tourism sector.

(c) The tourism agreement will help in augmenting tourist arrivals and strengthening friendly relations between the two countries.

Rupsi Airport

3724. SHRI NURUL ISLAM : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) whether the Government propose to restore air communications at Rupsi airport; and

(b) if so, the details thereof?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD) : (a) and (b). There is no proposal from any airline operator for commencing air services to/from Rupsi.

Premium on Shares

3725. SHRI RAM KAPSE : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have prescribed any criteria for charging premium on the face value of the shares when an issue is opened in the market;

(b) if so, the details thereof; and

(c) if not, the reasons for giving free hand to the companies in fixing premium on face value of shares?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (c). No, Sir. Existing companies are free to issue shares to the public at a premium provided full disclosure of the past trading prices of their shares and other material information are disclosed in the prospectuses, so as to enable potential investors to make an informed judgement of the reasonableness of the premium. New companies are, however, not allowed to charge a premium on maiden issues unless such companies are promoted by existing companies with a consistent track record of profitability and dividend payment during the preceding three years.

Bond Issue of IFCI

3726. SHRI S.M. LALJAN BASHA : Will the Minister of FINANCE be pleased to state :

(a) whether the Industrial Financial Corporation of India propose to float a Rs. 250 crore bond issue;

(b) if so, the reasons therefor;

(c) whether IFCI has failed to disburse a large sum of money to its clients;

(d) the steps to be taken to divest its equity holdings to raise fresh capital;

(e) whether the IFCI has huge portfolio of equity in various companies; and

(f) if so, the reasons for not recycling such funds by IFCI?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). In order to augment its working capital, the Industrial Finance Corporation of India Ltd. (IFCI) has issued bonds aggregating Rs. 203 crores in March, 1995 on private placement basis.

(c) No, Sir.