

(f) The representation from the Federation of the State Co-operative Banks is being examined.

**Delay in Grant of Approval by NABARD under Credit Authorisation Scheme**

3829. SHRI SUBHASH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether it has come to the notice of Government that National Bank for Agriculture and Rural Development takes more than three months in granting the approval under Credit Authorisation Scheme for block capital loans required by terms lending institutions thereby resulting in escalation of the block capital expenditure of different projects in the cooperative sector ;

(b) if so, the number of applications in the 1983-84 which took more than three months for granting approval by NABARD and the number of applications which are pending for more than three months at present ; and

(c) the steps Government have taken or propose to take to compensate the loss due to cost-escalation and for the approval of pending applications ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) National Bank for Agriculture and Rural Development has to ensure the eligibility of the proposal on the basis of the prescribed formula and has also to ascertain whether the term lending institutions have appraised the project and sanctioned their share of the term loan. The concerned cooperative banks are granted authorisation to sanction term loans for block capital purposes only when the proposal conforms to RBI guidelines.

(b) and (c) During 1983-84, 31 block capital proposals were received by the National Bank for authorisation under Credit Authorisation Scheme. Out of these, 18 were sanctioned, 10 were rejected due to non-fulfilment of the prescribed criteria and two were voluntarily withdrawn by the banks. Of the eleven proposals authorised after 3 months, seven related to grant of authorisation due to temporary ineligibility. There is only one proposal relating to

1983-84 and two proposals received in 1984-85 which are pending for over 3 months in respect of which details are awaited from Banks. Pegging the capital outlay requirements at normative cost is mainly responsible for gap in the financial tie-up arrangements which delays the completion of the projects and results in cost over-runs.

**Block Capital to Cooperative Agro-Based Industries**

3830. SHRI SUBHASH YADAV : Will the Minister of FINANCE be pleased to state :

(a) whether National Bank for Agriculture and Rural Development has since received a proposal for providing block capital to cooperative agro-based industries;

(b) if so, when;

(c) whether it is also a fact that the proposal has neither been placed before the Board of Directors of NABARD even though a number of board meetings have been held after the receipt of the proposal nor the board have been apprised of the proposal;

(d) if so, the reasons thereof; and

(e) the time by which the proposal is likely to be brought up before the Board of NABARD and finalised ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) National Bank for Agriculture and Rural Development have not so far received any proposal for providing block capital to cooperative agro-based industries.

(b) to (e) In view of (a) above the question does not arise.

**Functioning of Nationalised and Foreign Banks in the Country**

3831. SHRI E. S. M. PAKEER MOHAMMED : Will the Minister of FINANCE be pleased state :

(a) the total number of nationalised banks in the country and the number of banks thereof in Tamil Nadu;

(b) the number of licenced foreign banks functioning in the country;