

under the above programmes.

The Government have been also assisting the State Handloom Corporations, State Apex Handloom Weavers Coop. Societies and Primary Handloom Weavers Coop. Societies in marketing of their products through the "Market Development Assistance" scheme. Under this major scheme these organisations are assisted according to their annual turnover sales etc. During 1995-96, a sum of Rs. 4687.21 lakhs was released under MDA.

Refinancing Rates of NABARD

3574. SHRI ASHOK PRADHAN : Will the Minister of FINANCE be pleased to state :

(a) whether the National Bank for Agriculture and Rural Development propose to raise refinancing rates for commercial banks, co-operative banks and other Land Development Banks;

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

(c) whether the priority sector lending is likely to be adversely affected as a result thereof; and

(d) if so, the reaction of the Government thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) The rate of interest on short term (seasonal agricultural operation) credit limits to cooperative banks from National Bank for Agriculture and Rural Development (NABARD) used to range from 3% per annum to 6.5% per annum depending upon the percentage of State Cooperative Banks (SCBs) borrowings from NABARD to ST (SAO) loans outstanding against Primary Agricultural Credit Societies (PACs). These rates have been revised with effect from 1st July, 1996 as below :—

Percentage of SCB's borrowing from NABARD to ST (SAO) loans outstanding against PACs	Rate of interest (% p.a.)
Less than 35	5.0
35 & above but less than 40	5.5
40 & above but less than 45	6.0
45 & above but less than 50	6.5
50 & above but less than 55	7.0
55 and above	7.5

However, the interest rate on refinance for limits under ST (SAO Development of Tribal Population) would be 5% p.a. irrespective of the level of borrowings. Similarly, ST (SAO) refinance on all cooperative banks in North-Eastern region will be at 5% p.a. The interest rate on refinance to Regional Rural Banks (RRBs) for ST (SAO) purposes has remained unchanged at 6.5% p.a.

The rate of interest on medium and long term

refinance assistance to Commercial Banks, RRBs and Land Development banks has not undergone any change since 1.8.1995.

(c) and (d) The refinance support from NABARD forms only a part of the total resources of the cooperatives and RRBs. Due to the increase in refinance rates as aforesaid, there may be some increase in the cost of funds and therefore, in the viable lending rates. However the demands for credit is not likely to be so strongly dependent on the interest rates, as it is on the timeliness or adequacy of credit.

Further, the deregulation of interest rates that may be charged to ultimate borrowers by cooperative credit institutions and RRBs would enable them to raise deposits/borrowings from the market at competitive rates thereby augmenting the availability of loanable funds with these institutions.

Budgetary Support to Public Sector Enterprises

3575. SHRI ANANTH KUMAR : Will the Minister of INDUSTRY be pleased to state :

(a) whether the budgetary support to Public Sector Enterprises has come down considerably since 1990-91;

(b) if so, the details thereof, year-wise;

(c) whether some Public Sector Enterprises have not been allowed to raise resources through instruments like Global Depository Receipts;

(d) if so, the details thereof;

(e) whether some Public Sector Enterprises are facing acute shortage of funds; and

(f) if so, the steps being taken to improve the funds?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) : (a) and (b) the year-wise budgetary support to Central Public Sector Enterprises since 1990-91 are as under :—

Year	Budgetary Support (Rs. in Crores)
1990-91	5541
1991-92	4376
1992-93	4044
1993-94	4847
1994-95	5291
1995-96	5103
1996-97 (B.E.)	5038

(c) and (d) The application of any PSU for flotation of Global Depository Receipts has not been rejected so far by the Government.