

(c) and (d) RBI have further reported that banks being commercial organisations, have limitations for extending credit on account of the lending and prudential norms. RBI have also reported that the proposal for deployment of funds in the same area from where it was collected presupposes, inter alia, availability of ingredients like adequate infrastructural facilities, credit absorption capacity, conducive atmosphere for investment and adequate recovery of bank loans.

RBI had constituted a Task Force in the year 1993 to suggest ways and means for improving credit deposit ratio in Bihar. The Task Force had made several recommendations which are implemented on an ongoing basis under the aegis of the State Level Bankers' Committee for Bihar.

[English]

Infrastructure Development

1127. SHRI PRABHU DAYAL KATHERIA :
SHRI MAHENDER SINGH BHATI :
SHRI BHAKTA CHARAN DAS :

Will the Minister of FINANCE be pleased to state:

(a) whether an expert group constituted by the Union Government on infrastructure development has submitted its report;

(b) if so, the details thereof alongwith the main recommendations made by the expert group; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) In October, 1994 the Ministry of Finance constituted an Expert Group on the Commercialisation of Infrastructure Projects under the Chairmanship of Dr. Rakesh Mohan, the then Economic Adviser to the Government of India, Ministry of Industry. The Expert Group has submitted its report to the Finance Minister on 22nd June, 1996.

(b) The report provides directions for policy reforms which can help in greater commercialisation of infrastructure alongwith the promotion of public-private partnership. The main recommendations made by the Expert Group are as follows :

- * The Government must ensure that project risks are clearly demarcated and allocated to different stakeholders and ensure transport framework for easy implementation of Build Own Transfer type projects.
- * Equity investments in long gestation infrastructure projects to be granted tax reliefs and dividends to be made tax free to the individual shareholder upto reasonable level on the equity investment.

- * Pension, Provident and Insurance Funds may be liberalised so that these funds are also available for the development of private infrastructure projects.
- * Investments from foreign infrastructure funds to be placed on a preferred footing.
- * An infrastructure Finance Development Corporation be set up to promote infrastructure investment.
- * Foreign Investment Institutions (FIIs) be allowed to participate in debt market and private sector infrastructure companies be permitted to issue tax free bonds.
- * An autonomous regulatory body be set up for each infrastructure sector on the lines of Securities and Exchange Board of India (SEBI).
- * An infrastructure Coordination Committee be constituted on the same lines as the Foreign Investment Promotion Board (FIPB) for clearing projects on a national level.
- * Public-private Partnership be adopted for development of urban infrastructure.
- * A State level Nodal Infrastructure Financing Corporation be set up to channelise funds to smaller municipalities.
- * Cost-based pricing for each consumer segment in a phased manner.
- * To set up a Central Electricity Regulatory Commission outside the Government's operative control.
- * Urgent restructuring of State Electricity Board into compact, viable and corporatised units.
- * Department of Telecommunication to be corporatised as India Telecom.
- * Steps to be taken to encourage development of major telecom equipment manufacturing capabilities.
- * All telecom license fees to be transferred to an infrastructure funds for providing debt and equity to infrastructure projects.
- * Supernational Highways, by-passes and spot investments to be taken up through private initiatives.
- * A highway Development Policy to be prepared and adopted by the Government.
- * The Government to announce a comprehensive legal policy for industrial parks.
- * The major Port Trust Act, 1963 to be amended to permit expansion projects to be taken up on a Build Operate Transfer basis.

(c) The Government's development strategy attaches high priority to the development of efficient infrastructure and towards creating an enabling environment for private participation in the infrastructure sector. A variety of options available for public-private partnership can also encourage better risk sharing, accountability, cost recovery and management of infrastructure. Continuing its emphasis on the development of infrastructure, the Budget for 1996-97 announced several proposals to promote infrastructure which are as follows :

- * To provide long-term finance for the infrastructure sector the Budget announced establishment of an Infrastructure Development Finance Company (IDFC) with an authorised share capital of Rs. 5000 crore. A budgetary provision of Rs. 500 crore has been made for the current year. The IDFC has since been incorporated under the Companies Act on 30.1.97 with an authorised share capital of Rs. 5000 crore.
- * 5 year tax holiday available to companies developing, maintaining and operating infrastructure facilities such as roads, bridges, new airports, ports and railway projects, was extended to cover water supply, sanitation and sewerage projects.
- * Income tax exemption on dividend, interest or long-term capital gains earned by funds or companies set up to develop, maintain and operate an infrastructure facility.
- * The corpus of the National Highways Authority of India (NHAI) increased by Rs. 200 crore to enable to it leverage funds from the market, domestic as well as international.
- * Enhancement of tax rebate limits to help channelise domestic savings into debentures and shares offered by infrastructure companies in specified sectors. For this purpose such investments in public offerings would be eligible for the tax rebate.

[Translation]

Foreign Loans

1128. SHRI KACHARU BHAI RAUT : Will the Minister of FINANCE be pleased to state :

(a) the names of the countries from whom we have taken loans and the total amount of it; and

(b) the total amount we have to repay annually for it?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) A statement is attached.

(b) Repayments upto 31.3.96 are given in the enclosed statement. Details regarding annual

repayments are given in the External Assistance Brochure 1994-95 published by Ministry of Finance. A copy of the Brochure is available in the Library of the House.

Statement

Donor-wise Total Receipts and Repayments upto 31st March, 1996.

(Donor Currency in Million)

S. No.	Name of the Country/ Institution	Currency	Receipt	Repayments
1	2	3	4	5
Multilateral				
1.	ADB	US \$	1607.580	76.706
2.	IBRD	US \$	11459.923	4705.868
3.	IDA	US \$	8157.069	1368.460
4.	IDA	SDR	7246.754	135.619
5.	IFAD	SDR	163.769	18.567
6.	OPEC	US \$	172.429	120.795
Bilateral				
7.	Abu Dhabi	UAE Dirham	68.000	67.999
8.	Austria	Austrian Schilling	1672.826	1072.312
9.	Belgium	Belgium Franc	4958.446	2183.750
10.	Canada	Canadian Dollar	924.846	357.286
11.	Rep of Czech and Slovak	Indian Rupees	1569.861	1183.935
12.	Denmark	Danish Kroner	1148.753	286.460
13.	EEC	UK Pound	30.332	1.887
14.	Germany	Deutsche Mark	11242.881	5741.884
15.	France	French Franc	10842.179	4920.486
16.	IMF Trust Fund	SDR	529.009	529.009
17.	Iran	US \$	496.944	496.944
18.	Iran	SDR	438.539	438.539
19.	Italy	Deutsche Mark	144.200	0.000
20.	Italy	US \$	161.187	38.756
21.	Italy	Italian Lira	33125.000	33125.000
22.	Poland	Indian Rupees	366.355	366.355
23.	Qatar	UK Pound	7.158	7.158
24.	Japan	Japanese Yen	1064723.064	295276.397
25.	Kuwait Fund	Kuwait Dinar	78.981	45.303
26.	Netherlands	Dutch Guilder	2555.347	1023.833
27.	Saudi Fund	Saudi Riyal	581.830	465.688
28.	Spain	US \$	46.000	0.000
29.	Sweden	Swedish Kroner	1093.642	0.000
30.	Sweden	S. France	157.000	0.000