

(a) whether the Working Group on the Lead Bank Scheme has since finalised its report and submitted the same to Government :

(b) if so, the main recommendations made in the report and the Government decision on them ;

(c) the likely date by which the implementation of the decision would be ensured; and

(d) if not, the reasons for delay and the likely date by which the report is likely to be submitted ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) No, Sir.

(b) and (c) Does not arise.

(d) The Working Group felt it necessary to undertake some field studies and to discuss issues at local levels. This took some time. The Group has almost completed its deliberations and is likely to submit its report in the near future.

#### Incentives For NRI Investment

\*15. SHRI BALASAHEB VIKHE PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering to give more incentives to attract non-resident Indian investment ; \*

(b) if so, the details thereof ; and

(c) whether Government are reviewing all the existing scheme to see what improvements can be made in them ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) No, Sir.

(b) Does not arise.

(c) NRI investment schemes are reviewed from time to time and suitable changes made, wherever necessary.

#### Nationalised Banks Schemes to Help Drought Victims in Karnataka

\*16. SHRI SRIKANTA DATTA NARASIMHARAJA WADIYAR : SHRI H. N. NANJE GOWDA :

Will the Minister of FINANCE be pleased to state :

(a) whether any schemes have been evolved and implemented by the nationalised banks in the drought hit areas of Karnataka

(b) if so, the details thereof ;

(c) whether any report has been obtained from the nationalised banks as to the nature and extent of the assistance rendered by them to the drought flood affected victims, and

(d) if so, the outcome of the evaluation made by Government of these reports ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d) Reserve Bank of India has issued detailed guidelines to commercial banks for providing credit facilities to persons affected by drought including for those in the State of Karnataka for undertaking second sowing or raising alternative crops, short-duration crop, fodder etc., conversion of short-term loans into medium term loans, assistance for production of seeds, rescheduling of investment credit where failure of crop warrants, expeditious sanction of loans for minor irrigation purposes, consumption loans to small & marginal farmers and other weaker sections upto Rs. 500/ and for setting up of Fair Price Shops.

In areas affected by drought consecutively for three years or more, banks have been advised to defer recovery of the amounts falling due for a period of two years or till the next normal year if it occurs earlier. Banks have also been instructed not to charge penal interest in these cases nor should they compound interest on dues postponed. In the case of short-term loans, the total interest payable by small & marginal farmers should not exceed the principal amount. Banks

are to charge a rate of interest of 10% per annum on short-term loans upto Rs. 5,000/- in the case of farmers who have suffered three or more consecutive droughts and where loans have been converted/rescheduled.

The information so far received for the country as a whole indicates that financial assistance to the extent of Rs. 206.77 crores has been provided to 299094 beneficiaries. In addition conversion of short-term loans to medium term loans and rescheduling of loans have been extended in 177845 accounts involving an amount of Rs. 102.21 crores.

#### Privatisation in Defence Production

\*17. SHRI MULLAPALLY RAMACHANDRAN : Will the Minister of DEFENCE be pleased to state :

(a) whether Government are considering a proposal for the privatisation of defence production either wholly or in part;

(b) whether any steps have been taken towards the privatisation of defence production if so, the details thereof;

(c) whether Government tested artillery shells produced by any private enterprise; and

(d) if so, the outcome of such tests ?

THE MINISTER OF DEFENCE (SHRI K. C. PANT) : (a) and (b) No, Sir. There is no proposal to denationalise any defence production unit. To enable the Ordnance Factories to maximise utilisation of their resources for production of sophisticated and high tech. defence equipments, the production of low technology and low value added items are being entrusted to the Civil Sector (Public & Private) to the extent capacities exist in the country.

(c) and (d) Shell Forgings for 105 mm Artillery Shells have been procured from three sources in the private sector. The pilot samples of the Shell Forging offered by these firms were subjected to all the prescribed tests and only after they were found acceptable, clearance for bulk production was granted to them.

#### Concessional Loan from Japan

\*18. SHRI MAHENDRA SINGH : SHRI P. M. SAYEED : Will the Minister of FINANCE be pleased to state :

(a) whether Japan has extended a concessional loan of 29.5 billion yen (Rs. 270 crores) to help ease the strain on India's balance of payments due to widespread drought;

(b) if so, for which purpose this loan is to be utilised; and

(c) the scheme under which the loan has been sanctioned and the specific items that India propose to import ?

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) The Japanese Government have indicated that they will be willing to extend a loan of Yen 29.5 billion (about Rs. 270 crores) with a view to assisting India in its drought relief and economic reconstruction.

(b) and (c) The loan will be made available to cover payments for the import of such commodities as may be agreed to between the two countries. The loan agreement is yet to be negotiated and signed. The loan has been proposed through the Overseas Economic Cooperation Fund of Japan.

#### Export Oriented Units Status to Iron Ore Industry

\*19. SHRI HARIHAR SOREN : Will the Minister of COMMERCE be pleased to state :

(a) whether iron ore exporters have demanded the Status of 100 percent export-oriented units to iron ore industry; and

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

THE MINISTER OF FINANCE AND MINISTER OF COMMERCE (SHRI NARAYAN DATT TIWARI) : (a) and (b) Iron ore exporters, mainly from Goa, have requested for 100% Export