

### Modification of the Soft Loan Scheme

605. SHRI R. R. MORARKA: Will the Minister of FINANCE be pleased to state.

(a) whether there is any proposal under Government's consideration to modify the existing scheme for soft loans to industries for modernisation; and

(b) if so, what are the details in this regard?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b) Government review the operation of the Soft Loan Scheme on a continuing basis and make suitable modifications in the scheme from time to time, as and when found necessary. Arising out of the recommendations of the working group appointed under the Chairmanship of Dr. K. I. Narasimhan, financial institutions have recently made considerable relaxation in respect of bridge loan, documentation, commitment charges and personal guarantees. As regards promoters' contribution, financial institutions consider relaxations in the case of weak units on the merits of each case.

### Assistance by I.R.C.I.

606. SHRI R. R. MORARKA: Will the Minister of FINANCE be pleased to state:

(a) the total amount of assistance given by the Industrial Reconstruction Corporation of India since its inception and the terms and conditions under which the assistance was given;

(b) the names of the units to which the assistance was given; and

(c) whether any of these units has since been restored to health?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b)

From its inception in April, 1971 till the end of March, 1978, the Industrial Reconstruction Corporation of India has disbursed reconstruction assistance amounting to Rs. 44.53 crores by way of loans and guarantees to 83 industrial units.

The I.R.C.I. provides reconstruction assistance for the revival of sick units. Its assistance includes provisions for essential repairs for maintenance, start up expenses, margin money for working capital finances and bare necessary marginal additions to balance equipments. The Corporation's loans carry a concessional rate of interest, normally, of 8½ per annum with half yearly rests. In the case of industrial units in the small scale sector and those located in backward areas, interest is charged at 7½ per cent and 7 per cent respectively. The period of repayment generally extends up to 12 years. Other standard conditions stipulated in the Corporation's assistance include right to nominate one or more directors on the Boards of the assisted concern, right to convert a portion of loans into equity etc.

(c) Of the 83 units assisted by the Corporation 3 units have since been nationalised, 3 have paid back the Corporation's dues, 16 were either closed or legal proceedings were initiated against them, 2 units are on the way to recovery and other 12 units have reported improved levels of operation. The remaining 47 units are at various stages of reconstruction programme.

### Dead Accounts with different nationalised banks

607. SHRI R. R. MORARKA: Will the Minister of FINANCE be pleased to state:

(a) the total amount in the 'Dead Accounts' under the Current Account, fixed deposits and Savings Banks