

period are eligible for financial assistance under this scheme. The rate of interest to be charged on soft loans will be 7.5 per cent and the period of payment would be upto 15 years including a moratorium of 3 to 5 per cent. Industrial units which are not in a position to bear the normal lending rate of interest of the financial institutions will be provided concessional assistance to the full extent needed, but in other cases such assistance is to be provided upto maximum extent of 68 per cent.

In a recent study undertaken by the Reserve Bank of India, it has been found, many companies have diverted their funds to other activities like production of steel, chemical etc. A few cotton textile companies have also promoted companies manufacturing products other than cotton textiles. The Report of the Reserve Bank of India is yet under consideration.

Status of the Reserve Banks of India

46. SHRI VIREN J. SHAH: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether it is a fact that the role of the Reserve Bank of India in framing the monetary policy was reduced to insignificance during the emergency period; and

(b) if so, what steps Government are taking to restore to the Reserve Bank its statutory position?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) No, Sir.

(b) Does not arise.

Loan Under I.D.B.I. Soft Loan Scheme

47. SHRI VIREN J. SHAH: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state the number of applications received so far industry-wise, under Industrial Development Bank of India's soft loan scheme and the

number, out of them, which have been cleared?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): At the instance of the Government of India, the Industrial Development Bank of India has formulated a "Soft Loan Scheme" to provide financial assistance on concessional terms to production unit³ in certain selected industries viz., cotton textiles, cement, sugar, jute and certain engineering industries for modernisation replacement and renovation of their machinery and equipment to enable the units in these industries to increase their productivity and competitiveness. The Scheme is operated by the Industrial Development Bank of India, the Industrial Finance Corporation of India and the Industrial Credit and Investment Corporation of India.

The industry-wise details of the number of applications received, rejected, sanctioned, disbursed and pending under the Scheme, as on 31-5-1977 are given in the attached Statement. [See Appendix CI Annexure No. 2]

Price Preference by Public Sector Units in Buying Goods from other Public Sector Units

48. SHRI VIREN J. SHAH: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether Government have withdrawn or propose to withdraw the directive issued earlier to public sector units to give price preference in buying goods from other public sector units to the extent of 10 per cent; and

(b) if not, that are the reasons therefor?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) It has been decided to withdraw the price preference extended to public sector companies.

(b) does not arise.