

- (i) The investors are assured of a stable 10% dividend from the date of allotment ;
- (ii) The entire issue of cumulative convertible preference would be convertible into equity shares between the end of 3 years and 5 years ;
- (iii) On conversion of preference shares into equity shares, the right to receive arrears of dividend, if any, on the preference shares upto the date of conversion will accrue to the holder of the equity shares on such conversion. The holder of the equity shares shall be entitled to receive the arrears of dividend as and when the company makes profit and is able to declare such dividend ;
- (iv) The preference shares would have voting rights, as applicable to preference shares under the Companies Act, 1956 ; and
- (v) By the proposed conversion into equity the preference shares will also participate in the capital appreciation, if any, on the equity shares of the company.

(c) No, Sir.

Collection of Equity Capital and Deposits by Leasing Companies

5006. SHRIMATI KISHORI SINHA : Will the Minister of FINANCE be pleased to state :

(a) whether a number of leasing companies are now collecting equity capital and also deposits from the public ;

(b) if so, whether the Reserve Bank of India has given them permission to do so ;

(c) whether these leasing companies would come under regulations regarding deposits applicable to non-banking companies ; and

(d) if so, the details thereof ?

THE MINISTER OF FINANCE (SHRI VISHWANATH PRATAP SINGH) : (a) According to press reports a number of equipment leasing companies have been coming out with issues of equity shares and also collecting deposits from the public.

(b) Reserve Bank of India's prior permission is not required.

(c) The provisions of Reserve Bank's directions issued to non-banking financial companies have been extended to equipment leasing companies with effect from 1st September, 1985.

(d) Equipment leasing companies, the principal business of which is leasing of equipment or the financing of such activities may also accept deposits for a minimum period of six months and a maximum period not exceeding thirty-six months. These companies can pay a maximum interest on deposits at the rate of 15% per annum. An equipment leasing company can accept deposits the aggregate amount of which together with those amounts by way of debentures and Bank's and Institutional borrowings shall not exceed ten times its net owned funds. The companies are required to maintain minimum liquid assets which shall not be less than 10% of the deposits outstanding on any day as in the case of a hire purchase or housing finance company.

Result of Investment Made in Public and Private Sectors by Non-Resident Indians

5007. SHRI CHITTA MAHATA : Will the Minister of FINANCE be pleased to state :

(a) the investment made so far by the non-resident Indians in the public sector and the private sector in the country ; and

(b) the result thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) and (b) On the basis of information received from the Reserve Bank of India, the investment made so far by the non-resident Indians in the public sector and the private sector in the country is as follows :

	(Rs. in crores)
(i) Direct Investment (proposals approved)	419.33
(ii) Portfolio Investment (Actual purchase of shares/debentures)	51.94

**Concession of Textile Mill in Modi Nagar on
the Pattern of Gujarat Formula**

5008. SHRI THAMPAN THOMAS : Will the Minister of TEXTILES be pleased to state :

(a) whether the textile mills in Modinagar (Uttar Pradesh) have restarted working ;

(b) the loss of production and Government revenue owing to their closure for the past two to three years ;

(c) whether Government propose to offer them concessions similar to Gujarat formula ; and

(d) whether there are other proposals under consideration of Government in this regard ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : (a) As per the reports received from Textile Commissioner, three textile mills in Modinagar viz. Modern Spinners Ltd., Vishal Syntex Ltd. and Modi Textiles Ltd. are closed.

(b) Total estimated loss in Production due to closure of these units is about 11500 kgs. of yarn and 7900 metres of cloth. Loss in revenue due to closure of these units has not been estimated.

(c) and (d) A rehabilitation package for the revival of these units has been worked out.

**Scheme for Beautification and Upgradation
of Steel Cities**

5009. SHRI HARIHAR SOREN : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether Government have any scheme for the beautification and upgradation of steel cities ;

(b) if so, the amount earmarked for the above programme ;

(c) whether Steel City, Rourkela is proposed to be upgraded and beautified under the above programme ;

(d) if so, the schemes prepared and the funds allocated therefor ; and

(e) the details thereof ?

THE MINISTER OF STEEL AND MINES (SHRI K. C. PANT) : (a) and (b) Beautification and maintenance of Steel Cities is a continuing process under the annual development and maintenance programmes. Funds are provided keeping in view the requirements.

(c) to (e) There is no specific proposal for upgradation and further beautification of Rourkela Steel City. A number of steps have already been taken to beautify the City. Works leading to beautification and maintenance will continue to be undertaken within the overall budget provisions.

**Loan Applications Pending with Different
Branches of United Bank of India
in Orissa**

5010. SHRI RADHAKANTA DIGAL : Will the Minister of FINANCE be pleased to state :

(a) whether the United Bank of India has laid down a new working norm to clear the loan applications within a short period ;

(b) if so, the norms laid down by the United Bank of India in this respect ; and

(c) the number of loan applications pending in the different branches of the United Bank of India in Orissa as on 30 June, 1985 and the details thereof ?