

co-operation through trade liberalisation with preferential tariff treatment on 'reciprocal' basis and clearing arrangements to get over the hurdle of hard currencies;

(c) if so, concrete steps taken or proposed to be taken in this connection;

(d) whether he also suggested that countries in the sub-continent should have appropriate understanding so that in the matter of jute or tea or carpets or garments, they are able to increase exports without price-cutting, and there could also be a common code in regard to treatment of foreign investors; and

(e) the concrete steps taken/proposed pursuant to (c) above?

**THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE):** (a) Yes, Sir.

(b) to (e). A number of possible areas of co-operation were referred to by Shri L. K. Jha in the Lecture reported in the news item. Government are aware of the need for regional cooperation among countries in South Asia. The subject of regional cooperation among developing countries has been continually discussed at various international and regional fora where India and its neighbouring countries have participated. Government's views on various subjects of mutual interest are well-known.

**News-item captioned "Nurse sick units that can regain health"**

3198. **SHRI HARINATH MISRA:** Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item under the caption "Nurse sick units that can regain health" as published in the *Economic Times* dated 16 February, 1982; and

(b) if so, whether Government propose to make out a nursing programme only in the case of those sick units which could be brought back to health; and if so, the details of the programme if chalked out; if not, by what time the programme is likely to be formulated?

**THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY):** (a) Government have seen the News Item under the caption "Nurse sick units that can regain health" as published in the *Economic Times* dated the 16th February, 1982.

(b) It has been the policy of Government that banks and financial institutions must take all possible steps to prevent sickness and rehabilitate viable sick units to the extent possible. Accordingly banks and financial institutions make efforts to identify sickness in an industrial unit at the incipient stage itself and study the causes of sickness and the unit's potential viability. In accordance with this policy, banks draw up rehabilitation programmes in respect of the potentially viable units on a case by case basis. The assistance packages are tailor-made to suit the particular requirements of a case and they may contain both short-term and long-term measures covering aspects such as financial concessions including waiver of penal interest, reduction in the rate of interest and margin, re-scheduling the recovery of overdue liabilities/irregularities, grant of need based working capital and term loan facilities and other measures like change in management, merger with a healthy unit etc.

**Measures taken for liberalisation of investment procedure**

3199. **SHRI R. PRABHU:** Will the Minister of FINANCE be pleased to state what are the specific measures proposed to be taken by the Ministry

in pursuant to 20 Point Programme in respect of liberalisation of investment procedures?

**THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE):** As a step in the direction of liberalising investment procedures Government have already revised guidelines for issue of debentures by public limited companies. Further, in order to encourage large industrial units to raise their requirements of funds from the public through their own efforts Government have increased the ceiling rate on debentures from 12 per cent to 13.5 per cent. per annum. The Reserve Bank of India had constituted a Working Group under the Chairmanship of the Chairman, IDBI, Shri N. N. Pai, for recommending suitable measures for activating a secondary market for the public debentures. The recommendations already made by the Working Group in this regard are being considered by the Government.

The rate of dividend on preference shares was recently raised from 11 per cent to 13.5 per cent per annum.

Guidelines for issue of bonus shares were also rationalised.

Listing guidelines under Securities Contract (Regulation) Act were relaxed and private promoters of companies are now allowed to hold equity if more than 40 per cent, i.e. upto 70 per cent, during the initial stages of a project to match the promoters contribution requirement of the financial institutions/MRTP Act, 1969 and to subscribe the stipulated minimum percentage of the total cost of the project subject to the condition that the holding above 40 per cent would have to be disinvested within three years from the date of commercial production by an offer of sale to the general public.

With regard to facilities for investment by non-resident Indians, para 27 of the Finance Minister's Budget

Speech made on the 27th February, 1982 has already spelt out the measures.

#### **Negotiations by Officials of Public Financial Institutions for Loan from Euro Money Market**

3200. **SHRI V. S. VIJAYARAGHAVAN:** Will the Minister of FINANCE be pleased to state:

(a) whether the official of Public Financial Institutions visited Europe to negotiate loans from Euro money market;

(b) if so, the amount of loan proposed to be negotiated;

(c) whether they have succeeded in this effort; and

(d) if not, the reasons thereof?

**THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY):** (a) to (c). The Chairman of Industrial Development Bank of India visited London to sign the Euro-Dollar Loan agreement with Lloyds Bank International. The negotiations for the loan were, however, held in Bombay. An amount of US Dollars 25 million has been raised as a result of the above agreement.

(d) Does not arise.

#### **Ban on Import of Channel Blacks and Penta Erythritol**

3201. **SHRI V. S. VIJAYARAGHAVAN:** Will the Minister of COMMERCE be pleased to state:

(a) whether Government have banned the import of channel blacks and Penta Erythritol which are being used by the Paint industry as basic raw materials;

(b) whether this has caused hardships to the industry and affected export of paint; and