

Soft Loan Scheme

1004. SHRI ASHFAQ HUSSAIN: Will the Minister of FINANCE be pleased to state:

(a) the progress of the 'Soft Loan Scheme' entrusted to the Industrial Finance Corporation of India;

(b) details of the Scheme for the four major industries, sugar, Cotton Textiles and Jute, and cement and also details of the loans sanctioned and disbursed to these industries;

(c) the estimated requirements of these industries;

(d) is it a fact that greatly needed modernisation programmes in these industries were slowed down because the amounts sanctioned were for below the requirements and the amount disbursed was less than the amount sanctioned; and

(e) what are the reasons behind this?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) and (b). As on the 30th June, 1982, the Industrial Finance Corporation of India (IFCI) sanctioned financial assistance amounting to Rs. 169.72 crores and disbursed an amount of Rs. 100.36 crores under the 'Soft Loan Scheme'. A statement indicating the assistance sanctioned and disbursed, industry-wise, by IFCI under the Scheme is attached. The Soft Loan Scheme operated by the all-India term lending institutions, namely, Industrial Development Bank of India, Industrial Finance Corporation of India and Industrial Credit and Investment Corporation of India is designed to provide financial assistance on concessional terms to production units in five selected industries viz., sugar, jute, cotton textiles, cement and certain engineering industries to enable such units to overcome the backlog in

modernisation, replacement and renovation of their plant and equipment so as to achieve higher and more economic levels of production. The main features of the Soft Loan Scheme are the concessional rate of interest charged on the soft component of the loan, longer amortization schedules depending upon the earning capacity of the project and flexible approach in regard to the debt-equity ratio and promoter's contribution towards the modernisation scheme.

(c) Till the 30th June, 1982, the all-India term lending financial institutions had received 547 effective applications for financial assistance of Rs. 1315.37 crores. As on that date, 19 applications for financial assistance amounting to Rs. 42.51 crores were pending with the institutions.

(d) and (e). Need based loans are sanctioned by the Financial Institutions to applicant units. The institutions adopt a flexible approach in determining the promoter's contribution toward the cost of the modernisation project and depending upon the merits of individual cases the loan amount could be upto 80—90 per cent of the cost of the project. The disbursement of assistance to a concern is dependent on the execution of the relative documents and compliance by the concern with the conditions precedent to the disbursement. The disbursement is made according to the requirements of funds relative to the progress in implementation of the modernisation scheme. In these circumstances there is necessarily some time lag between sanction and disbursement of the loan.

Statement

Statement showing industry-wise Distribution of financial assistance sanctioned and disbursed under the Loan Scheme as on the 30th June, 1982. Soft
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INDUSTRY	ASSISTANCE SANCTIONED			ASSISTANCE DISBURSED			
	No. of projects	On Soft terms	On Normal terms	Total	On Soft terms	On Normal terms	Total
Sugar	27	3.53	11.29	14.28	3.51	8.09	11.60
Jute	10	2.95	2.08	5.73	1.24	0.73	1.97
Cotton textile	176	57.10	42.79	100.89	28.77	24.64	53.41
Cement	30	5.06	10.95	16.01	4.67	8.99	13.66
Engineering	53	7.69	24.56	32.25	4.12	15.60	19.72
Total	296	76.33	93.39	169.72	42.31	58.05	100.36

Foreign Diplomats involved in Smuggling

1005. SHRI NAWAL KISHORE SHARMA:

SHRI TARIQ ANWAR:

SHRI G. NARSIMHA REDDY:

SHRI RATANSINH RAJDA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have received reports that several foreign diplomats are engaged in large scale smuggling, including sophisticated arms and ammunition;

(b) if so, whether Government have ordered a thorough inquiry into the matter;

(c) if so, what has been the outcome of the inquiry; and

(b) what action has been taken against the foreign diplomats found involved in smuggling activities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PATTABHI RAMA RAO): (a) The Customs authorities have, over the recent past, detected some cases of smuggling by foreign diplomats. However, no instance of smuggling of sophisticated arms and ammunition by such diplomats has come to Government notice.

(b) and (c). Whenever any case of involvement of foreign diplomats in smuggling is detected, the matter is thoroughly investigated by the Customs authorities.