

(b) is so, the reaction of the Government thereto?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) No, Sir.

(b) Does not arise.

[English]

9 Modernisation of Jute Industry

2503. SHRI HANNAN MOLLAH : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government had any programme for the modernisation of Jute Industry;

(b) if so, the details thereof;

(c) how far the aforesaid programme has been implemented and with what results;

(d) the future plans of the Government for the modernisation of Jute Industry; and

(e) the time schedule prepared by the Government for their implementation?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT) : (a) Yes, Sir,

(b) The Jute Modernisation Fund was set up by Government of India in 1986 to cater to the modernisation requirements of the jute industry on the usual terms applicable for such loans. The fund also provides special loans at a concessional interest rate of 6% per annum to meet up to 80% of the promoters contribution of weak but viable units in order to enable them to avail of modernisation assistance. The special loans are repayable over a period of 12 years, with a moratorium for the first six years.

(c) 39 mills had applied for modernisation assistance under the Jute Modernisation Fund till the end of May 1991. 5 of these applications were later withdrawn. IFCI has sanctioned assistance in respect of 22

applications and rejected 9 applications. In the case of 2 applications, processing has been completed and these cases are awaiting disposal by the BIFR. 1 application is under preliminary scrutiny of the Financial Institutions. Rs. 88.58 crores has been sanctioned in the case of 22 applications, out of which Rs. 25.55 crores has been disbursed in respect of 10 cases.

(d) and (e) The progress of the utilisation of the Jute Modernisation Fund is reviewed and monitored regularly by a Committee which includes representatives of the Government of India, the Government of West Bengal, banks and financial institutions.

[Translation]

240 Allotment of Land to Civilians in Cantonment Areas

2504. SHRI SANTOSH KUMAR GANGWAR : Will the Minister of DEFENCE be pleased to state :

(a) the procedure laid down for allotment of land to civilians for their residence in Cantonment areas;

(b) whether there is any proposal for giving ownership rights of such land being used by civilians for self residence; and

(c) if so, the details thereof ?

THE MINISTER OF DEFENCE (SHRI SHARAD PAWAR) : (a) to (c) The existing policy does not envisage allotment of Defence lands, in Cantonment areas, to civilians for residential purposes. However, Defence lands already held on lease/old grant terms by civilians in certain Cantonments, can be converted into freehold on payment of the prescribed conversion charges, provided the site is not required for Defence or public purposes.

[English]

240 New Policy for Industry

2505. SHRI PRAFUL PATEL : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government propose to formulate a new policy for India

industry to compete with foreign companies and make automatic investment in joint ventures abroad to help promote Indian products abroad; and

(b) if so, by when such a policy is proposed to be announced?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) and (b) Revision of Guidelines for Joint Ventures abroad is under consideration.

241
Interest charged by Nationalised Banks from Priority Sector Units

2506. DR. KRUPASINDHU BHQJ : Will the Minister of FINANCE

be pleased to state the rate of interest charged by nationalised banks from priority sector units on cash credit limits during last year and at present?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : The lending rate structure of scheduled commercial banks has been rationalised and revised by Reserve Bank of India with effect from 22nd Sept., '90.

The existing rates of interest on loans, including cash credit, granted to priority sector units as stipulated by RBI and the rates of interest prevalent before 22nd Sept., 1990 are given in the attached statement.

Statement

Part I

The existing rate of interest on cash credit limits granted to priority sector units

Size of loan	Rate of interest percentage per annum and the date from which they came into force		
	22-9-90	13-4-91	4-7-91
(A) Upto and inclusive of Rs. 7,500	10.0	10.0	10.0
(B) Over Rs. 7,500 and upto Rs. 15,000	11.5	11.5	11.5
(C) Over Rs. 15,000 and upto 25,000	12.0	12.0	10.0
(D) Over Rs. 25,000 and upto Rs. 50,000	14.0	14.0	14.0
(E) Over Rs. 50,000 and upto Rs. 2.00 Lakhs	15.0	15.0	15.0
(F) Over Rs. 2.00 Lakhs	16.0	17.0	18.5
	(Minimum)	(Minimum)	(Minimum)

Part II

The rate of interest prevalent before 22-9-90 on cash credit limits granted to priority sector units

Category and size of loan	Rate of interest per annum
I. AGRICULTURE	
A. Short term loans to farmers	
(A) Upto Rs. 7,500	10.0
(B) Over Rs. 7,500 and upto Rs. 15,000	11.5
(C) Over Rs. 15,000 and upto Rs. 25,000	12.0
(D) Over Rs. 25,000	14.0 to 15.50
B. Advances to units engaged in both production and distribution of seeds	14.0
C. Advances for distribution of fertilisers :	
(A) Upto Rs. 5,000	11.5
(B) Over Rs. 5,000 and upto Rs. 25,000	11.5 to 14.00
(C) Over Rs. 25,000	14.0 to 15.50