

**Memorandum from Kerala
Dinesh Beedi**

2481. SHRI A. NEELALOHIT-HADASAN NADAR : Will the Minister of FINANCE be pleased to state :

(a) whether Government had received a memorandum from the Board of Directors of Beedi Workers Industrial Co-operative Society Limited. No. S. Ind. (C) (Kerala Dinesh Beedi) ;

(b) if so, their main demands in the memorandum ;

(c) what action has already been taken by Government on the demands; and

(d) what action Government propose to take in future?

THE MINISTER OF STATE
IN THE MINISTRY OF FINANCE
(SHRI SAWAISINGH SISODIA):
(a) Yes, Sir.

(b) The main demands made in the memorandum are that either the Society be exempted from the levy of Central Excise duty on beedies, or it may be helped by the grant of a subsidy equal to the amount of duty paid by it.

(c) and (d). The demand for exemption from payment of Central Excise duty on beedies manufactured by the Society has not been accepted. The Government has also no scheme to grant any relief in lieu of the Central Excise duty paid by the Society.

Restructuring of Banks interest Rates

2482. SHRI S. B. SIDNAL :

SHRI HARIHAR SORAN :
SHRI JANARDHANA
POOJARY :

Will the Minister of FINANCE be pleased to state:

(a) whether it is proposed to restructure the banks interest rates both for deposits and credit; and

(b) if so, the details thereof?

THE DEPUTY MINISTER IN
THE MINISTRY OF FINANCE
(SHRI MAGANBHAI BAROT) :
(a) and (b). Lending rates stipulated by the Reserve Bank for all scheduled commercial banks, effective from March 2, 1981 are set out in the attached statement.

The Reserve Bank of India have also revised interest rates payable by scheduled commercial banks on fixed deposits of some maturities. The categories of deposits and the rates effective from 2-3-1981 are indicated below :

	Per cent Per annum
1. For deposits for 1 year and above but less than 2 years	7.5
2. For deposits for 2 years and above but less than 3 years	8.5
3. For deposits for 3 years and above	10.0

(i) Regional Rural Banks may allow at their discretion additional interest of $\frac{1}{2}$ per cent per annum on term deposits of less than 3 years ;

(ii) Other scheduled commercial banks having aggregate demand and time liabilities of less than Rs. 25 crores may at their discretion allow additional interest of $\frac{1}{2}$ per cent on deposit of maturities less than 3 years. The interest rates payable by banks on other categories of deposits remain unaffected.

Statement

Lending Rates of Scheduled Commercial Banks as stipulated by the Reserve Bank of India (Effective from 2-3-1981)

Priority Sectors	Fixed Rates (%)
(A) Agriculture	
1. Loans to small farmers upto Rs. 5000/- (Short/medium/long term)	12.50
2. Term loans of not less than three years' maturity	
(a) Minor irrigation and land Development	10.25
(b) Other purposes	
(i) Small Farmers	10.25
(ii) Other farmers	12.50
(B) Small Scale Industry	
1. Composite loans upto Rs. 25,000	
(i) Backward areas	10.25
(ii) Other areas	12.50
2. Term loans of not less than 3 years' maturity	
(i) Backward areas	12.50
(ii) Other areas	13.50
(C) Retail Trade	
Limits upto and inclusive of Rs. 5,000/-	12.50
(D) Road Transport Operators	
Term Loans	
(a) Single Vehicle	12.50
(b) Two or more vehicles	15.00
(E) Housing	
(a) SC/ST upto and inclusive Rs. 5,000/-	4.0
(b) Others upto and inclusive of Rs. 5000/-	12.50
(c) Over Rs. 5000 and upto Rs. 50,000	13.50
(d) Above Rs. 50,000	15.00

Priority Sectors	Fixed Rates (%)
(F) DRI Advances	4.00
(G) All other Term Loans	15.00
(H) Public Procurement and Distribution Agencies	
(i) FCI/State Govt./agencies of FCI for procurement of food grains under full price support scheme with sales at fixed price through Govt. outlets.	12.50
(ii) Central/State Govt. agencies for procurement/distribution of specified essential consumer commodities for sale at fixed prices through Govt. approved outlets commodities being pulses, Edible oils, Kerosene, Salt & Sugar	15.00
(iii) Central/State Govt. agencies for procurement/distribution of essential commodities other than those mentioned in (ii) above.	17.50
(iv) Central/State Govt. agencies for procurement of Cash crops e.g. Jute/Cotton, where there is an element of price support.	17.50
(v) Central/State Govt. agencies for procurement and distribution of fertilisers, pesticides and seeds	17.50
(I) Exports	
1. Pre-shipment Credit	
(a) Specified medium and heavy engineering goods and construction contracts	
(i) upto 180 days	12.50
(ii) beyond 180 days upto 270 days	15.00
(b) Other specified goods (e.g. carpets, leather manufacturers, coir, cashew, tobacco, etc.) upto 180 days	12.50

Priority Sectors	Fixed Rates (%)
(c) Other goods and consultancy services	
(i) upto 90 days	12.50
and	
(ii) Beyond 90 days and upto 135 days	15.00
(d) Against cash incentives etc. covered by ECGC Guarantee (upto 90 days)	12.50
	%
2. Post shipment Credit	
(i) Demand bills for transit period (as specified by FEDAI)	12.50
(ii) Usance bills upto 80 days comprising usance period of the export bills, transit period as specified by FEDAI and grace period wherever applicable	12.50
(iii) Cash incentives, duty draw-back etc. receivable covered by export Production Finance Guarantee of ECGC (upto 90 days)	12.50
(iv) Undrawn balances (upto 90 days)	12.50
(v) Against retention Money (for supplies portion only) payable within one year from the date of shipment (upto 90 days)	12.50
3. Defer red Credit	
Deferred credit for period beyond one year	8.65
4. Duty draw-back credit Scheme, 1976	
Against Duty Draw-back as provisionally certified by the customs authorities (upto 90 days)	Free of Interest Maximum Rates (%)
Priority Sectors (not otherwise specified)	17.50

Priority Sectors	Fixed Rates (%)
1. Agriculture	
(i) Short term loans above Rs. 5000 and upto Rs. 25,000	15.00
(ii) Short term loans above Rs. 25,000	17.50
2. Small Scale Industry	
(i) Working capital/short-term advances	
(a) Limits of upto and inclusive of Rs. 2 lakhs	15.00
(b) Limits of over Rs. 2 lakhs and upto and inclusive of Rs. 25 lakhs	17.50
(c) Over Rs. 25 lakhs	19.50
3. Retail Trade	
(a) Limits of over Rs. 5000 and upto and inclusive of Rs. 25,000	15.00
(b) Limits of above Rs. 25,000	19.50
4. All other advances	19.50
5. Central/State Govt. agencies for procurement and distribution of commodities for sale on commercial basis.	19.50
	Maximum Rates (%)
Selective Credit Control	
Commodities subject to Selective Credit Control	19.50
Sugar Mills in respect of all stocks	17.50

FINANCE TO INDUSTRIAL HOUSES BY FINANCIAL INSTITUTIONS

2483. SHRI GHUFRAN AZAM: Will the Minister of FINANCE be pleased to state:

(a) details of financial institutions of his Ministry which finance industries ;