

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI SHIVRAJ V. PATIL): (a) and (b). No norms have been fixed so far for production of salt in case of exporters of salt. However, State Trading Corporation, which is the centralising agency for export of salt is expected to finalise the norms shortly.

(c) Yes, Sir.

(d) Does not arise.

Credit Guarantee Scheme for Small Units

4158. SHRI G. NARSIMHA REDDY : Will the Minister of FINANCE be pleased to state:

(a) the details of Credit Guarantee Scheme for small scale industries by Deposit Insurance and Credit Guarantee Corporation;

(b) whether it is compulsory for all the term lending organisations like State Finance Corporation and Banks and whether it is linked to refinance from I. D. B. I.;

(c) whether it is a fact that after introduction of this scheme SSI units have to pay more rate of interest than medium and large scale industries; and

(d) if so, Government's policy towards S. S. I. units in comparison with medium and large scale industries in respect of rate of interest to be charged against the term loans?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) The Credit Guarantee Scheme of the Central Government for Small Scale Industries was cancelled with effect from the 31st March, 81. In place of the above scheme, the Deposit Insurance and Credit Guarantee Corporation (DICGC) introduced its own scheme with effect from the 1st April 81 to provide continuity of guarantee cover to advances to Small Scale Industries. This followed the recom-

mendations of a Working Group appointed by the Central Government and was also in pursuance of a recommendation in this regard by the Lok Sabha Estimates Committee. The Scheme of the DICGC has been designed to provide guarantee support on a graduated scale weighted in favour of small borrowers so as to make it worthwhile for credit institutions to prefer small borrowers. It provides guarantee cover to the extent of (i) 90 per cent of the amount in default in respect of borrowers with aggregate credit facilities not exceeding Rs. 25,000 and technician entrepreneurs upto Rs. 2 lakhs; (ii) 75 per cent of the amount in default in respect of borrowers with aggregate credit facilities not exceeding Rs. 2 lakhs; and (iii) 50 per cent of the amount in default in respect of borrowers with aggregate credit facilities exceeding Rs. 2 lakhs (66-2/3 per cent for borrowers in backward districts) subject to a maximum ceiling of Rs. 10 lakhs. The Guarantee fee at the rate of 3/4 per cent p. a. is payable by participating credit institutions on advances exceeding Rs. 25,000/- and a concessional rate of fee at the rate of 1/2 per cent p.a. on advances upto Rs. 25,000/-. The Guarantee cover is automatic and in bulk. From the date of first disbursement all eligible credit facilities granted to specified categories of borrowers for purposes mentioned in the Scheme are covered without requiring the credit institutions to make a prior application to the Corporation for covering each credit facility. The guarantee cover is applicable both for term loans as well as for working capital advances.

(b) The participation in the DICGC Scheme is entirely voluntary; its guarantee cover is available only to those credit institutions who join the scheme by executing the prescribed agreement. Under the IDBI refinance scheme the credit institutions are required to get DICGC guarantee cover in respect of loans to SSI units for availing of refinance. This

condition has been prescribed by IDBI as the SSI units are considered to be a vulnerable sector, and increasingly large number of SSI units spread all over the country are being provided assistance. IDBI also feels that the scheme would be in the interest of the credit institutions themselves.

(c) and (d). The rates of interest prescribed or recommended for the different categories of industries are given in the attached statement. It is upto the credit institutions to decide about bearing part or whole of the burden of the guarantee fee and different institutions are following different practices in this regard.

Statement

(A) Rates prescribed by the RBI :—

| SSI | | Medium and large industries |
|--|--------|---|
| (I) Composite loans upto Rs. 25,000 | | |
| Backward Areas | 10.25% | Term loans for not less than three years 15%. |
| Other areas | 12.5% | |
| (II) Term loans for not less than three years. | | |
| Backward areas | 12.5% | |
| Others area | 13.5% | |
| (B) IDBI interests rate structure under the re-finance scheme: | | Ceiling on Primary Lender's rate |
| 1. Normal lending rate | 14% | |
| 2. Concessional rates for units located in specified backward areas. | | |
| (a) composite loans upto Rs. 25,000/- per unit | 10.25% | |
| (b) small scale units | 12.50% | |
| (c) other new units (excluding road transport operators) | 12.50% | |
| 3. Concessional rates in non-backward areas | | |
| (a) composite loans upto Rs. 25,000/- per unit | 12.50% | |
| (b) small scale units | 13.50% | |

Investigation against Importers of Polyester Filament Yarn

4159. DR. VASANT KUMAR PANDIT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Bombay Customs have instituted investigation against some importers

(other than cotton textile mills) in respect of consignments of polyester filament yarn imported by them from Japan, Taiwan and South Korea in 1981 and 1982;

(b) if so, the nature of the offence under investigation, the names of importing parties and the c.i.f. value of the goods under investigation; and