

(c) The increase in the ceiling interest rate applicable to export finance has been effected by the Reserve Bank having regard to the overall monetary situation and the need for bringing about a proper alignment of the interest rate structure. With the minimum lending rate on bank advances now at 11 per cent, exporters still enjoy a substantial concession in the rate of interest charged on export credits at 8 per cent or 6 per cent, as applicable. As the ceiling rate of interest has been stepped up only on short-term export credit provided by the banks and the exports made on deferred payment basis continue to have the 6 per cent ceiling rate, the exports in general are not likely to suffer as a result of the increase in the ceiling rate.

Seizure of smuggled Goods in Bombay

4840. SHRI RAGHUNANDAN LAL BHATIA:

SHRI HUKAM CHAND
KACHWAI:

Will the Minister of FINANCE be pleased to state:

(a) whether Bombay Customs Authorities recently seized gold and textiles valued Rs. 11.5 lakhs on 10th November, 1973 in Central and South Bombay; and

(b) if so, the broad features thereof and whether any persons have been taken into custody in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) and (b). On 10-11-73 the Customs authorities at Bombay made the following seizures of gold, textiles and nylon and radiant yarn:—

S. No.	Place of seizure	Commodities seized	Value at market rate	Number of persons arrested
1.	Kalladevi	Textiles	0.23	3
2.	Mahim	Textiles, Nylon & radiant yarn.	2.53	Nil
3.	Nagdevi Street.	Gold;	7.96	1

Trade Agreement between India and E.E.C.

4841. SHRI BHAGIRATH BHANWAR: Will the Minister of COMMERCE be pleased to state:

(a) whether a trade agreement between India and the European Economic Community is expected to be signed shortly at New Delhi;

(b) whether this agreement would usher in a new era of India's Foreign Trade; and

(c) if so, the salient features thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) to (c). Final agreement is yet to be reached on the

text of the Commercial Cooperation Agreement.

Promotion of Assistant Commissioners of Income-tax

4842. SHRI RAGHUNANDAN LAL BHATIA: Will the Minister of FINANCE be pleased to state:

(a) whether a uniform promotion policy is followed in the Central Services, like Postal, Exsise, and Income Tax;

(b) if so, the salient features thereof;

(c) whether chances of further promotion of Assistant Commissioners of Income-tax are remote as compared to other Central Services; and

(d) if so, reasons therefor and steps proposed to be taken to remove this discrepancy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) to (d). The information is being collected and will be laid on the Table of the House.

Minimum lending rate for Bank Advances

4843. SHRI RAGHUNANDAN LAL BHATIA:

SHRI P. GANGADEB:

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has increased the minimum lending rate for bank advances against most of the commodities covered by selective credit controls;

(b) if so, what is the rate of increase; and

(c) which are the commodities covered?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN):

(a) to (c). As part of its credit policy for the 1973-74 busy season, the Reserve Bank of India has increased the minimum rate of interest from 12 per cent to 13 per cent per annum for bank advances against the following commodities covered by selective credit controls:

(i) *Food grains*: Wheat, paddy and rice and other foodgrains including pulses (For advances other than those to authorised food procurement agencies).

(ii) *Oil-Seeds*: Viz., groundnut, rape-seed, mustard-seed, castor-seed, lin-seed and oils thereof, and Vanaspati.

(iii) *Cotton and Kapas*: In respect of advances to (a) cotton mills, against stocks of raw cotton, other than stocks for 12-14 weeks' consumption for which the mills are entitled to the benefit of lower margins, and (b) to parties other than cotton mills.

(iv) *Sugar, gur and Khandsari*: In respect of advances to (a) mills against stocks of free sale sugar which have been released for sale by the Government and (b) to parties other than sugar mills against stocks of sugar, gur and Khandsari.

However, the minimum rate of interest on advances granted to sugar factories against stocks of free sale sugar which have not been released by Government has been fixed at 12 per cent. There was no such stipulation before the present policy.

Textiles and yarn: Cotton textiles including yarn, as well as fabrics and yarn made out of man-made fibres (which were also brought under the purview of Selective Credit Controls on November 17, 1973) are also now subject to a minimum rate of interest of 13 per cent in respect of advances against stocks to traders, dealers and agents.