

Raising of Direct Lending Rate by I.F.C.

4290. SHRI P. M. MEHTA: Will the Minister of FINANCE be pleased to state:

(a) whether the Industrial Finance Corporation has also decided to raise its direct lending rate as the Industrial Development Bank of India has done following the bank rate hike;

(b) if so, the reasons therefor, and by how much per cent; and

(c) when the new rate would become effective?

THE MINISTER OF FINANCE (SHRI YESHWANTRAO CHAVAN): (a) to (c). The Industrial Finance Corporation of India has increased the rates of interest charged by it in respect of loans granted by it in rupees as well as in foreign currencies, by 1/2 per cent, with effect from the 12th July, 1973. The revised rates of interest as well as the rates obtaining prior to the aforesaid revision are as under:—

Rupee loans	Interest rates (gross) w.e.f. 12th July, 1973	Interest rates (gross) before the revision.
(a) Normal rate	9½% p. a.	9% p.a.
(b) Rate for soft loans to Jute Industry and export-oriented cotton textile mills	8½% p.a.	8% p.a.
(c) Rate for rupee loans for industrial project in notified backward districts/areas	8% p.a.	7 1/2% p.a.a.
Sub-loan in foreign currencies	10% p.a.	9½% p.a.

The above-mentioned rates of interest are subject to a rebate of 1/2 per cent p.a. for punctual repayment of instalments of principal and payment of interest.

The above-mentioned revision has been made, in line with other term-lending institutions, having regard, *inter alia*, to the structure of interest rates in the market and the increase in the bank rate from 6 per cent to 7 per cent with effect from the 31st May, 1973, and increased cost of borrowing of funds by the Corporation.

Disposal of Confiscated Goods by sale in Shops at International Airports

4800. SHRI P. M. MEHTA:
SHRI R. V. SWAMINATHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering a proposal under which smuggled goods would be sold in shops at international airports;

(b) if so, the reasons therefor;

(c) whether smuggled goods are at present sold in cooperatives and other Government shops; and

(d) if so, what useful purposes will be solved by the new decision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH): (a) Government have accepted the recommendation of the Committee on Disposal of Confiscated Goods and issued instructions that confiscated watches which are likely to be of interest to the tourists may be sold against foreign exchange in the duty free shops run by the Indian Tourism and Development Corporation in the transit lounges at the International airports. A proposal made very recently regarding such sales of other confiscated goods is under consideration.

(b) By such sales the Government shall be able to earn some foreign exchange.

(c) Confiscated consumer goods are being sold by Cooperative Societies and Super Bazars who received their supplies of such goods from the National Cooperative Consumer Federation or its constituent units.

(d) As at (b) above.

Impact of fall in value of Dollar on India's Exports

4301. **SHRI P. M. MEHTA**: Will the Minister of COMMERCE be pleased to state:

(a) whether fall in the value of dollar has effected Indian exports;

(b) if so, to what extent;

(c) whether Indian exporters of jute goods are getting prined out of the U.S. market; and

(d) if so, what steps have been taken by Government in the matter?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) to (d). In the absence of trade data of India's exports to the U.S. during the current period of 1973 and the international monetary situation still remaining fluid, it is not possible to say precisely about the effect of dollar devaluation of our exports to U.S.A. However, in view of the appreciation of the Indian rupee in relation to the U.S. dollar (which is likely to make Indian products in the U.S. market a little more expensive than before), some slowing-down in the tempo of our exports to the U.S.A. is possible.

With a view to improve the competitive position of Indian Jute goods in the U.S. and other markets, the export duty on primary carpet backing has been reduced from Rs. 300 per tonne to Rs. 200 per tonne and that on secondary carpet backing from Rs. 700 to Rs. 300 per tonne w.e.f. 12th June, 1973.

Delayed Flights due to False Alarm about Planting of a Bomb in an Aircraft at Palam Airport on 30th July, 1973

4302. **SHRI R. V. SWAMINATHAN**:
SHRI P. A. SAMINATHAN:

Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether false alarm about the planting of a bomb in an aircraft delayed flights at Palam Airport on 30th July, 1973;

(b) whether in view of this. Government are considering tightening of the security measures at all the international airports;

(c) if so, what kind of security arrangements have been made; and

(d) whether any detectives are also being posted at these airports?

THE MINISTER OF TOURISM AND CIVIL AVIATION (DR. KARAN SINGH): (a) Yes, Sir. The International Airports Authority of India received an anonymous bomb-threat on the telephone on 30th July, 1973. However, no Indian Airlines flight out of Delhi were delayed on this account.

(b) and (c). Steps have already been taken to streamline the security arrangements at the four international airports. It has also been decided to induct the Central Industrial Security Force at the international airports to replace the Chowkidhari system. This Force is already in position at Delhi with effect from 10th August, 1973.

(d) This is not considered necessary.

Investment made by Institutional, Financial Institutions in Development of Industries in Mysore

4303. **SHRI T. V. CHANDRASEKHARAPPA VEERABASAPPA**: Will the Minister of FINANCE be pleased to state:

(a) The investment made by institutional financial institutions like I.F.C., I.C.I.C.C., I D B; in development