

**CIVIL AVIATION (SHRI SUREN-DRA PAL SINGH):** (a) and (b). The loss suffered by the Hotel Corporation of India during 1973-74 was Rs. 17 lakhs against a turn-over of Rs. 1.47 crores. The loss for the year 1974-75 is also estimated to be at the same level, i.e., about Rs. 17 lakhs against a turn-over of Rs. 1.43 crores.

Some of the reasons for the losses are as under:—

- (i) Due to Indian Airlines' lock-out for about four months during 1973-74, resulting in considerably reduced uplift of meals on flights from the HCI flight kitchens at Delhi and Bombay;
- (ii) Due to Air India Pilots' strike for about three months during 1974-75, resulting in considerably reduced uplift of meals on flights from the HCI flight kitchens at Delhi and Bombay;
- (iii) During 1974-75, Indian Airlines considerably reduced their meals service in their flights and did not uplift any meals from the HCI flight-kitchen at Delhi except for small quantities uplifted on the aircraft chartered by them from Air India;
- (iv) In spite of reduction in business, HCI did not lay-off any staff in order to maintain good industrial relations.

**Loan to Small Scale Industries by Nationalised Banks**

**9350. SARDAR SWARAN SINGH SOKHI:** Will the Minister of FINANCE be pleased to state:

(a) whether the nationalised banks, especially State Bank of India, have recently stopped giving loan to small scale industries and the farmers, in the country;

(b) whether any directions have been given to the banks to this effect;

(c) if so, the reasons therefor and if not, why the banks are not helping these small scale industries and farmers; and

(d) whether Government propose to give clear fresh directions to the nationalised banks throughout the country to give loans to Small Scale Industries without any hinderance?

**THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI-MATI SUSHILA ROHATGI):** (a) and (b). No, Sir.

(c) and (d). Both the Government and the Reserve Bank attach great importance to the financing of small scale industries and agriculture by the public sector banks. Guidelines have been issued to them to ensure easy and greater flow of credit to these sectors. Thus at the time of the announcement of the busy season credit policy on October 29, 1974, the Reserve Bank had instructed the banks that the agricultural credit requirements, including those for distribution of agricultural inputs, should continue to be given the maximum possible attention. As regards small scale industries, banks were advised that the policy of giving priority to this sector as such should be refined in its application so as to accord such treatment more particularly to units having credit limits of Rs. 10 lakhs and below. It was further suggested to the banks that the benefit of access to the scarce resource of bank funds should be extended in accordance with the needs of the borrowing unit, determined not only by its size but also by the type of production in which it is engaged and that small scale industrial units producing inputs for 'core' sector and wage goods industries should be preferred to the small-sized units in less essential lines.

Within the broad framework of the policy of giving priority to agriculture

and small scale industry, suitable adjustments are made from time to time in the credit measures keeping in mind the emerging situation.

**Securities by United Commercial Bank, Rohru, Simla**

9351. SHRI VIRBHADRA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the United Commercial Bank operating in the rural areas particularly its branch at Rohru in Simla District of Himachal Pradesh has been mortgaging land worth double the amount of loans and taking personal securities besides hypothecating the machinery for sanctioning industrial loan;

(b) whether this practice varies from practice adopted for loans sanctioned for industries in urban areas where only land on which industry is set up is mortgaged and machinery hypothecated; and

(c) if so, the reasons and justification for this variation?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI-MATI SUSHILA ROHATGI): (a) United Commercial Bank has reported that no instructions to its rural branches, including the Rohru branch, have been issued to the effect that in the case of industrial loans the Bank should always insist upon obtaining mortgage of land worth double the amount of loan, in addition to obtaining personal guarantees and securing hypothecation of machinery.

(b) The Bank has further reported that industrial loans in rural areas are treated on the same footing as similar loans in urban areas.

(c) Does not arise.

**Loan of Haryana State towards Centre**

9352. SHRI PRABODH CHANDRA: Will the Minister of FINANCE be pleased to state;

(a) whether Haryana State owes Rs. 52 crores as loan to the Centre; and

(b) if so, the amount of loan which other States owe to the Centre State-wise?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a) and (b). A statement giving the amounts of Central loan outstanding against State Governments including Haryana as on 31-3-1974 is laid on the Table of the House.

*Statement*

Central loan to States outstanding as at the end of 1973-74 (PROVISIONAL).

(Rs. lakhs.)

State	Loan outstanding
1. Andhra Pradesh . . . . .	691.80
2. Assam . . . . .	391.58
3. Bihar . . . . .	720.33
4. Gujarat . . . . .	350.02
5. Haryana . . . . .	230.83
6. Himachal Pradesh . . . . .	140.05
7. Jammu & Kashmir . . . . .	330.15
8. Karnataka . . . . .	451.55
9. Kerala . . . . .	366.58
10. Madhya Pradesh . . . . .	416.78
11. Maharashtra . . . . .	685.25
12. Manipur . . . . .	43.60
13. Meghalaya . . . . .	19.00
14. Nagaland . . . . .	25.38
15. Orissa . . . . .	513.04