

Government have taken care and will take care, to see that unreasonable disparities are avoided in the wage structure as between different enterprises in the same industry or region and as between public enterprises on the one hand and Government Departments on the other, especially in comparative levels, wherever comparability could be established.

Rates of interest charged by the Nationalised Banks from various sectors

*347. SHRI GURUDEV GUPTA;
SHRI ARVIND GANESH
KULKARNI;
SHRIMATI LEELA DAMO-
DARA MENON;
SHRIMATI USHI KHAN;

Will the Minister of FINANCE be pleased to state:

(a) the effective rates of interest charged by the nationalised banks from the following sectors for pledge/hypothecation and pledge credit as on the 31st March, 1978:—

(i) Industries registered under DGTD.

(ii) Priority sectors exports) / socially important.

(iii) Small Scale Sector, and

(iv) Agricultural sector at Apex/
District/Society level;

(b) whether the nationalised banks charge uniform rates of interest and whether the procedure of adding interest to capital every month or every three months in uniformly adopted; and

(c) whether there is any proposal under Government's consideration to review the interest rate structure and to make it more rational?

THE MINISTER OF FINANCE
(SHRI H. M. PATEL): (a) and (b)
A Statement is laid on the Table of the House.

(c) The interest rate structure of the banks is a part of the over-all credit policy of the Government and is kept under constant review.

Statement

The lending rates of Scheduled Commercial Banks which are kept under constant review, have been recently revised downwards. These revised rates came into effect from 1st March, 1978 and are as follows :—

1. *Maximum Lending Rate on Advances*.—The maximum rate of interest chargeable by Banks on short period advances (without prejudice to penal charges) will be as follows :

Banks with Demand and Time Liabilities of

	Rate prior to March 1, 78	New rates
	Per cent	Per cent
(a) Over Rs. 50 crores and banks incorporated outside India	16 1/2	15
(b) Between Rs. 25 crores and Rs. 50 crores	17 1/2	15
(c) Below Rs. 25 crores	No ceiling	16
2. <i>Term loans</i>	Rates prior to March 1, 1978	New rates
	Per cent	Per cent
(a) Term loans of not less than 3 years for capital investment in priority areas	12.50	12.50
(b) Term loans of not less than 3 years for all other purposes,		
(i) Between 3 and 7 years	15.00	} 14.00
(ii) Above 7 years	14.60	

Banks with Demand and Time Liabilities of		Rate prior to March 1, 78	New rate
<i>Concessional Ceiling Rates</i>		Per cent	Per cent
(A)	Term loans of not less than three years to the specified categories of small scale units		11.00
(B)	Term loans of not less than three years granted to farmers for purposes of minor irrigation and land development.		10.50
(C)	Term loans of not less than three years granted to farmers for diversified purposes as defined by ARDC		11.00
(D)	Direct individual loans to small farmers not exceeding Rs. 2,500/- whether extended as short, medium or long term facilities		11.00
<i>Food Credit</i>		Rates prior to March 1, 1978	New Rates
		Per cent 12	Per cent 11
<i>Export Credit :</i>			
Pre-shipment credit : 11 and 13 per cent (According to specified period).			
Post-shipment credit : 8 and 11 per cent (According to specified period).			
<i>Primary Agricultural Credit Societies :</i>			
<i>Short Term</i>			
To societies with business less than Rs. 2 lakhs			10%
To societies with business over Rs. 2 lakhs during previous year			11%
To societies without full time paid Secretary			11%
<i>Medium term Loans</i>			
Medium term advances by banks to societies			11%
<i>Farmer Service Societies</i>			
I Short term			9½%
II Medium term			10%

But, have been advised that for purposes of compounding the rests shall be quarterly or longer.

Difficulties faced by tourists at the Srinagar Airport

*348, SHRI S. K. VAISHAMPAYEN: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that tourists visiting Kashmir have to face a lot of inconvenience in securing booking clearance, etc., at the Srinagar airport as reported in the *Times of India* of the 28th May, 1978; and

(b) if so, what steps Government have taken to remedy the situation?

THE MINISTER OF TOURISM AND CIVIL AVIATION (SHRI PURUSHOTTAM KAUSHIK): (a) and (b) Indian Airlines are operating 3 Boeing 737 flights and one HS 748 flight to Srinagar and the regular traffic demand between Delhi and Srinagar could be adequately met by these services. There is, however, a holiday rush in May-June when passengers do face difficulties in securing reservations. To meet such situations