

(b) if so, whether some formula is being evolved to relieve these states of the burden ?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) A number of State Governments have been suggesting from time to time to write off "unproductive loans" given to them by the Central Government and/or resheduling of their debt liability to the Central Government.

(b) The question of repayment of loans granted to the various States by the Central Government has since been referred to the Sixth Finance Commission.

UNIFORM CREDIT POLICY BY NATIONALISED BANKS

594. **SHRI PRANAB KUMAR MUKHERJEE :**

SHRI N. R. CHOUDHURY :

Will the Minister of FINANCE be pleased to state :

(a) whether Government have issued some guidelines to nationalised banks and their branches to follow a uniform credit policy throughout the country;

(b) whether it has come to the notice of Government that the different nationalised banks are adopting different credit policies and even two branches of the same bank are adopting different policies; and

(c) if so, the steps taken by Government in the matter ?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN) : (a) to (c). The credit policy is framed by Government of India and the Reserve Bank and is uniformly applicable to all the commercial banks, including the nationalised ones. Within this broad framework, the banks operate various credit schemes. There may be some marginal differences as between different banks or within the same bank for different loan transactions on account of differences in such factors as purpose of the loan, amount, repayment period, viability of the project for which loan is being sought, reputation of the party seeking loan etc.

JET AEROPLANE

595. **MISS SAROJ PURUSHOTTAM KHAPARDE :** Will the MINISTER OF DEFENCE be pleased to state :

(a) whether it is a fact that a number of suggestions for manufacturing a new type of jet aeroplane have been under the consideration of Government; and

(b) if so, whether Government have taken any decision in this regard ?

THE MINISTER OF STATE (DEFENCE PRODUCTION) IN THE MINISTRY OF DEFENCE (SHRI VIDYA CHARAN SHUKLA) : (a) and (b) The requirement of the Air Force for a new type of jet aeroplane is under examination. No final decision has yet been reached.

GRANT OF LOANS TO FARMERS AND SMALL SCALE INDUSTRIALISTS

596. **MISS SAROJ PURUSHOTTAM KHAPARDE :** Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the small farmers and small scale industrialists are experiencing difficulties in furnishing security for getting loans from the branches of the nationalised banks in rural areas; and

(b) if so, the steps proposed to be taken by Government to simplify and liberalise the procedure for obtaining loans ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRIMATI SUSHILA ROHATGI) : (a) The nationalised banks have adopted need based approach by laying greater emphasis on the purpose of the loan, economic viability and technical feasibility of the project and the character and integrity of the borrower rather than adhering to traditional norms of security. No tangible security is insisted upon for making short term crop advances upto prescribed ceilings. In case of small scale industries, low margins are maintained consistent with the capacity of small borrowers to offer security. Depending on the merits of each case margins are sometimes totally dispensed with.

(b) Since nationalisation, banks have taken various steps to rationalise their lending procedures. These are simplification of forms, availability of forms in local languages, assistance in filling up the forms, delegation of discretionary powers to the dealing officials, periodic review of pending cases etc. Government have also taken up with the State Government to bring up legislation as advised by the Expert Group on State Enactments having a bearing on commercial banks' lending on agriculture for smoother flow of credit to agriculture.