

broad-based to include textile and administrative experts. A Management Committee, apart from whole time Executive Director, has been constituted with a view to strengthening supervision and control over the day-to-day working of the Mill. A Scheme for the financial re-structuring of the company and for the modernisation of its plant and machinery has also been worked out by the Bank in consultation with the Mill Management and submitted to the Industrial Development Bank of India, who have sanctioned the required financial assistance. With the financial assistance from the Institutions and Government; the Mill is expected to turn the corner in due course. Government and the Reserve Bank are in continuous touch with the Central Bank of India and the IDBI in regard to the programme of modernisation and rehabilitation of Kohinoor Mills. The New professional management of the company have taken all necessary steps against the defaulting debtors for the recovery of their dues. In cases where recovery could not be effected, suits have been filed.

Making of banking system more responsive to rural needs

2802. SHRI AMAR ROYPRADHAN:

SHRI C. R. MAHATA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to make the banking system more responsive to rural needs; and

(b) if so, what are the salient features?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b). The more important measures taken to improve flow of credit to the rural areas through the commercial banking system are mentioned below:—

(i) Increase in the branch network of commercial banks in rural areas.

(ii) Banks have been advised to concentrate in areas where banking facilities are inadequate at present.

(iii) The public sector banks have been advised to increase their lending to the priority sector, including agriculture, to the level of 32.3 percent of their total advances by the end of March 1979.

(iv) The banks have been advised to ensure that 60 percent of their deposit resources mobilised in the rural and semi-urban areas are deployed in such areas only.

(v) 48 Regional Rural Banks with 1332 branches as at the end of April 1978 have been set up.

(vi) The banks have been advised to charge rate of interest (i) not exceeding 10.5 percent on term loans with maturity of not less than 3 years, granted for purposes of minor irrigation and land development and (ii) not exceeding 11 percent for diversified purposes, which include dairy farming, poultry, fisheries, horticulture, etc.

(vii) The direct individual loans to small farmers not exceeding Rs. 2,500 would be given at a rate of interest not exceeding 11 percent.

Formulation of National Policy on Tourism

2803. SHRI C. VENUGOPAL: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) the present position regarding formulation of a National Policy on Tourism; and

(b) the reasons for delay together with the anticipated date for finalisation of the Policy?