

modus operandi of corruption with a view to remedial action. The object was not to enquire into any specific instances of corruption but essentially to review areas where there was scope for corrupt practices. The group would also indicate concrete measures to eradicate corruption in the departments under the Central Board of Excise and Customs. The working group consisted of the Director (Inspection and Audit), Director (O&M Services), and Director (Training), with the Chief Vigilance Officer as the convener.

(c) The group submitted its report on 21st November, 1978.

Guidelines Issued by Government in regard to Rural Development

934. SHRI S. S. SOMANI: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made efforts through private banks to discharge their responsibilities in the task of rural development; and

(b) if so, the details regarding the guidelines issued by the Government to private banks, public sector and private sector banks and financial institutions?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b). Government and the Reserve Bank of India have taken measures to encourage flow of credit for rural development from public sector and private sector commercial banks.

Detailed guidelines for making agricultural advances were issued by the Reserve Bank in 1970. Some of the other important steps taken by Government/Reserve Bank are indicated below:

(i) Banks in the public and private sector are encouraged to open more branches in rural and semi-urban areas, particularly in unbanked centres.

(ii) Public sector banks have been advised by Government to ensure that 60 per cent of the funds mobilised in rural and semi-urban areas are deployed in these areas and their advances to the priority sector are stepped upto 33-1/3 per cent of their total advances by March, 1979.

(iii) With a view to increasing investment in agriculture, banks have been advised to charge a rate of interest not exceeding 10.5 per cent on term loans of over 3 years for minor irrigation and land development, and 11 per cent for diversified purposes like dairy, poultry, fishery, etc. Direct individual loans to small farmers not exceeding Rs. 2500/- should be advanced at interest rate not exceeding 11 per cent.

(iv) Banks are required to lend at least 1/2 per cent of their advances at differential interest rate of 4 per cent, which mainly cover small loans in the priority sector including agriculture.

(v) The Reserve Bank of India provides refinance upto 50 per cent for advances granted to small farmers for amounts not exceeding Rs. 2500/- per borrower, while the agricultural Refinance and Development Corporation gives refinance to banks in respect of their term lendings.

(vi) Establishment of Regional Rural Banks is encouraged to meet credit needs of small and marginal farmers, agricultural labourers and rural artisans.

Export of Sugar

935. SHRI AHMED M. PATEL: Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether there is any demand of sugar in other countries;

(b) the quantity of sugar exported during the last two years;