

The viability etc. of the proposed centres has nevertheless, to be assessed by the branch managers before taking a decision on the loan applications. Banks have, however, been asked to dispose of small loan applications for less than Rs. 10,000/- within 3/4 weeks of their receipt and also to consider the applications from small borrowers without insisting on security, margin etc.

**Reduction in rate of interest charged on Loans to housing Cooperatives.**

1079. SHRI M. V. CHANDRASHEKARA MURTHY: Will the Minister of FINANCE be pleased to state:

(a) whether a meeting of the Central Council for Urban Development and Local Government was held in New Delhi on 19 January 1983;

(b) if so, whether the main recommendation was that the directive should be issued to Life Insurance Corporation to reduce the rate of interest charged on loans given to the housing cooperatives and also to raise the prescribed limit of Government guarantee for each loan;

(c) if so, whether the immediate implementation of the suggestion has been made;

(d) if so, when final decision in this regard is likely to be taken;

(e) whether in view of Government's decision to allow the second time mortgage of the same flat or house any directive has been issued to nationalised banks to provide loans to the individuals and Group Housing Societies; and

(f) if so, how many Banks have agreed to provide the loans?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE, (SHRI JANARDHANA POOJARY): (a) A meeting of the Central Council of Local Government and Urban Development was held on 17th and 18th January, 1983.

(b) By one of the resolutions passed at the meeting, Council urged Government to reduce the rate of interest charged by

the LIC on loans to apex cooperative housing finance societies. The Council also suggested granting of Government guarantee for loans with interest exceeding 8-1/2 per cent.

(c) and (d) It has been decided, in the interest of a fair return to the policy holders of the LIC, that LIC loans to these societies should be on security other than Government guarantee and carry appropriate rate of interest. The current rate of interest on these loans is 12 per cent and, in fixing that rate, account has been taken of the long-term lending rates prevailing in the market. In the circumstances, a reduction in the rate of interest is not considered feasible.

(e) and (f). Necessary information is being gathered and will be laid on the Table of the House.

**Study of Employment Pattern by National Textile Corporation.**

1080. SHRI JAGDISH TYTLER: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the National Textile Corporation (NTC) has commissioned the South India Textile Research Association to undertake a study of the pattern of employment of both workers and other staff in its subsidiary corporations and mills:

(b) whether any other steps have been taken either by the NTC or Government to cut down the losses in the Corporation's workings; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI-MATI RAM DULARI SINHA): (a) Yes, Sir.

(b) and (c). Some of the important steps taken to improve the working results of NTC mills are as under:—

1. modernisation of machinery and expansion of capacity, wherever necessary;

2. rationalisation of workload and labour force;