

and effective rate of interest from 1st March, 1988 is indicated below:—

Short-term Agricultural loans to farmers	Rate of interest (% age per annum) upto end of Feb. 1988      effective from 1-3-1988	
Upto Rs. 5000/- .....	11-5	10.0
Over Rs. 5000/-and upto Rs. 7500/-	12-5	10-0
Over Rs. 7500/-and upto Rs. 10,000/-	12.5	11.5
Over Rs. 10,000/and upto Rs. 15,000/-	12.5 to 14.0	11.5
Over Rs. 15,000/-and upto Rs. 25,000/-	12.5 to 14.0	12.5 to 14.0
Over Rs. 25,000/- .....	14.0 to 15.0	14.0 to 15.0

(c) It may not be appropriate to compare the lending rates in India with the ones prevailing in other countries having different levels of economic development and priorities. The Reserve Bank of India has laid down different interest rates for different class of borrowers/activities and the element of concessionality of lending rates is linked to the size of the loan and the priorities accorded. While under Differential Rates of Interest Scheme, loans are given to small/marginal farmers at an annual interest rate of 4 per cent, the interest rate on crop loans above Rs. 25,000/- is 15 per cent per annum. The rate of interest for minor irrigation and land development, for all categories of *Mssrs* is only 10 per cent per annum. Thus the rates of interest for activities in Agricultural sector are comparatively less than the rates prescribed for the sectors.

#### Bank branches in rural areas

1390. SHRI AIT P. K. JOGI: SHRI  
DURGA PRASAD  
JAMUDA:

Will the Minister of FINANCE be pleased to state:

(a) what is the number of branches of commercial banks which are catering to nearly 80 per cent of the rural and agricultural population of the country as compared to their number which mainly cater to the remaining 20 per cent of the nation's population living in urban areas;

(b) whether Government are planning to take any steps to correct this imbalance which favours the urban minority as against the rural majority of the country;

(c) if so, what are the details thereof; and

(d) if not, what are the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALSI-RO): (a) to (d) Reserve Bank of India (RBI) has reported that as at the end of September, 1987 54163 branches of commercial banks were functioning in the country as per details given below:—

Rural	- 30463
Semi-Urban	-10659
Urban	-7240
Metropolitan	- 5801
Port Town	

The rural and semi-urban branches constitute 76 per cent and rural branches alone constitute 56 per cent of the total bank branches in the country.

The aim of the current Branch Expansion Policy for 1985—90 is to achieve a coverage of 17,000 population in the rural and semi-urban areas of each block and location of at least one bank office

within a distance of 10 kms. from each village. RBI has allotted 4805 rural/semi-urban centres to various banks under the current Policy. With the opening of offices at these allotted centres, the average population Per bank office in the rural and semi-urban areas of the country would come down to 13,000 as against the existing figures of 15,000. Under the Policy norms, expansion of branches at urban and metropolitan areas is allowed only in unbanked/under-banked pockets taking into account the specific needs and financial viability of the new branch.

#### Effect of new textile policy

1391. SHRI AJIT P. K. JOGI:  
SHRI DURGA PRASAD  
JAMUDA:

Will the Minister of TEXTILES be pleased to state:

(a) what has been the increase, if any, in the production of cloth in the handloomr (including and excluding Khadi), power-loom and organised mill sectors, respectively, after the introduction of the new textile policy;

(b) which of the aforesaid three sectors has suffered most adversely, in teims of production reduction and employment reduction;

(c) whether Government are thinking of revising the afore-said policy so that none of these sectors continue to suffer adversely and *inter se* balance is maintained; and

(d) whether the number of closed textile units have also gone up since the introduction of the aforesaid policy; if so, what are the details thereof?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) The production of cloth sector wise during the last three years is as under:—

Sector	1984-85	1985-86	86-87
1. Mill sector (Million metres).	3432	3376	3317
2. Powerloom sector (Million metres)	5445	5886	6222
3. Handloom Sector (Million metres)	3137	3236	3449

The value of production of Khadi has increased from about Rs. 157.62 crores during 1984-85 to Rs. 218.06 crore during 1986-87.

(b) to (d) The output of the mill sector has shown a downward trend. 133 textile mills involving 1.71 lakh workers were lying closed as on 31.12.87 as against 78 with 1.08 lakh workers on 31.12.85. There is no proposal to alter the present textile policy since it contains many significant features aimed at the integrated and harmonious growth and development of all sectors of the textile industry.

#### Skibsidy on Janata Cloth

1392. SHRI PRAMOD MAHAIAN: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that Maharashtra Government has requested the Government of India to raise the subsidy on Janata Cloth; and

(b) if so, what are the details thereof and the action taken thereon?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b) Government of Maharashtra have written to the Government of India sug-