

modernisation and renovation of machinery and equipment of sick mills taken over by the National Textile Corporation; and

(b) if so, what are the details thereof and to what extent it will increase the viability of the units?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA): (a) and (b) The National Textile Corporation after taking stock of the present condition of the plant and machinery, has drawn up a modernisation programme for the nationalised mills involving a total outlay of approx. Rs. 203 crores, to be undertaken in a phased manner. Upto the end of March 77, NTC mills have implemented modernisation programmes costing about Rs. 50 crores.

In most of the nationalised textiles mills under the NTC, a major problem is of obsolescence of plant and machinery. It is expected that with the implementation of modernisation programmes the units will be brought to a minimum viable level of productivity. The pay back period on the investment after the complete implementation of the schemes is assessed to be between 5 to 8 years.

#### **Opening of Regional Rural Banks in UP.**

132. SHRI GHAYOOR ALI KHAN: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) the number of Regional Rural Banks functioning in Uttar Pradesh at present;

(b) whether Government propose to open more such banks in that State in the near future;

(c) if so, whether Government have finalised their location and areas of operation; and

(d) by when these banks are likely to start functioning?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) Ten Regional Rural Banks are functioning in Uttar Pradesh at present.

(b) to (d) The location for one more Regional Rural Bank for the districts of Kanpur (Rural) and Fatehpur in the State was also finalised. However,, in view of the Committee set up by the Reserve Bank of India to review the working of the Regional Rural Banks scheme, it was decided to await the report of the Review Committee before establishing any more Regional Rural Banks.

#### **Grant of loans by the Nationalised Banks**

133. SHRI JANARDHANA REDDY: Will the Minister of FINANCE AND REVENUE AND BANKING be pleased to state:

(a) whether the nationalised banks propose to make "changes in their policy of granting loans; and

(b) if so, what are the main features thereof?

THE MINISTER OF FINANCE AND REVENUE AND BANKING (SHRI H. M. PATEL): (a) No, Sir. Details of the present policy are set out in the statement.

(b) Does not arise.

#### **Statement**

The lending policy of the public sector banks is governed by the priorities laid down from time to time by Government and the Reserve Bank of India. As a result the Public sector banks are increasingly adopting a need-based approach as distinct from a security-oriented approach which characterized Their earlier lending policies.