

(c) the efforts being made by the Union Government to revive these industrial units;

(d) the number of the employees and labourers rendered unemployed due to closure of these units;

(e) whether any relief is provided to these labourers from National Renewal Fund; and

(f) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF LABOUR (SHRI P.A. SANGMA): (a) to (f). The information is being collected and will be laid on the Table of the House.

[English]

Regional Rural Banks

4354. DR. LAXMINARAYAN PANDEYA:
SHRI MANORANJAN BHAKTA:
SHRI ATAL BIHARI VAJPAYEE:

Will the Minister of FINANCE be pleased to state:

(a) the recommendations made by Kothari Committee and the Narasimhan Committee in regard to restructuring of the Regional Rural Banks to make them viable;

(b) the action taken or proposed to be taken by the Union Government thereon; and

(c) the steps taken by the Reserve Bank of India to give greater freedom to the Regional Rural Banks to rationalise

their existing branch net-work and to bring in operational efficiency?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). Presumably the Hon'ble Members refer to the Kelkar Committee set up in 1986 which *inter-alia* recommended the enhancement of share capital of the Regional Rural Banks (RRBs). The recommendations of the Committee including the enhancement of share capital have been implemented. The Committee on Financial System (Narasimhan Committee, 1991) in its report, keeping in line with its recommendations to create rural subsidiaries of commercial banks, left the option open for the RRBs or their sponsor banks as to whether the RRBs should retain their identity or be merged on a voluntary basis with the sponsor banks' rural subsidiaries.

After considering different alternative models for restructuring of RRBs, a decision has been taken, as announced by the Finance Minister in his Budget Speech in 28.2.94, to take up 50 of the 196 RRBs all over the country in the course of 1994-95 for undertaking comprehensive restructuring including cleaning up of their balance sheets and infusion of fresh capital. The experience with these 50 RRBs will guide the approach in later years to the other RRBs. The objective is to transform presently weak and ailing RRBs into financially viable and effective instruments of decentralised rural banking.

(c) With a view to improving their viability in the short term, a package of measures have also been announced by RBI in December, 1993. The measures include raising non-target group financing from 40 per cent to 60 per cent, increasing non-fund business, freeing RRBs

whose disbursements during 1992-93 were less than Rs. 2 crores from service area obligations and permitting them to relocate loss making branches at places like Mandis, Taluks/district headquarters, agriculture produce centres, etc. and to open extension counters at premises of institutions for which the RRB is the principal banker. The RRBs have also been permitted to install safe deposit lockers.

[*Translation*]

Refinance to Bihar by NABARD

4355. SHRI RAJESH KUMAR: Will the Minister of FINANCE be pleased to state:

(a) the amount of refinance assistance provided by NABARD to various Commercial, Cooperative and Regional Rural Banks in Bihar during each of the last three years;

(b) the limits prescribed in the matter of grant of loans by the Regional Rural Banks in the State and the extent to which these are followed;

(c) the percentage of the aforesaid refinance assistance utilized for benefit of the most backward and poor Adivasi areas of the State by various banks and cooperative institutions;

(d) whether NABARD has made any assessment of the benefits reaching the poor Adivasi through this assistance; and

(e) if so, the outcome thereof;

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) (i) The refinance provided by National Bank for Agriculture and Rural Development (NABARD) to various banks under schematic lending in Bihar during the last three years is as under:—

Category of Banks	<i>(Rs. in lakhs)</i>		
	Years		
	1991-92	1992-93	1993-94
Commercial Banks	6580	5385	4986
Cooperative banks			
(a) State Land Development Banks (SLDB)	187	774	732
(b) State Cooperative Bank (SCB)	3	9	79
Regional Rural Banks (RRB)	2177	1902	2318
Total	8947	8070	8115