

[English]

### Revitalisation of Rural Cooperative Banks

3737. SHRI TARA SINGH :

SHRI V. SREENIVASA PRASAD :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to introduce a comprehensive scheme for the revitalisation of rural cooperative banks;

(b) if so, the details thereof;

(c) whether the performance of the rural cooperative banks in the country has not been found satisfactory; and

(d) if so, the steps being taken to tone up the functioning of rural cooperative banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) and (b). National Bank for Agriculture and Rural Development (NABARD) has, at the instance of Government, taken initiatives for strengthening the cooperative banks in the country by advising them to prepare Development Action Plans (DAPs), as per guidelines issued by it. These DAPs envisage, *inter-alia*, concerted planned efforts for accelerating the recovery of overdues, reducing the transaction cost/ cost of management, undertaking review of human resources development, increasing and diversifying loan business of the banks at the ground level and improve the quality of lending. Based on the action points indicated in the DAPs, a memorandum of understanding (MOU) is being entered into by the State Cooperative Banks, State Land Development Banks and the respective State Governments with NABARD. It is expected that the successful implementation of the action points contained in the MOU would make the cooperative banks viable in a sustainable basis.

(c) and (d). The performance of many of the cooperative banks have not been satisfactory due to various reasons like recovery of loans, low level of business, high transaction costs, huge accumulated loss, imbalances in the outstanding loan, bad debts and old dues receivable from State Governments. In order to identify the specific problems that deter the performance of cooperative banks and plan for recourse to remove them, NABARD has instructed the cooperative banks to draw specific DAPs for a period of atleast 5 years.

### Profession Tax

3738. SHRI JAGATVIR SINGH DRONA : Will the Minister of FINANCE be pleased to state :

(a) whether it has come to the notice of the Government that the relief given by the centre as a 'Profession Tax' is being misutilised, by small industrial units particularly in Kanpur (U.P);

(b) if so, the details thereof; and

(c) the reasons for misutilisation of such relief; and

(d) the steps being taken to prevent such misutilisation in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) to (d). Information is being collected and will be furnished.

[Translation]

### Customs Duty on LPG

3739. SHRI RAMASHRAY PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the LPG industry has made a demand to the Government to abolish the customs duty on import of LPG by private parties;

(b) if so, the steps taken by the Government in this regard;

(c) whether the burden of subsidy being provided on domestic LPG will be reduced due to abolishment of customs duty on import by the private parties; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) The Government has received representations from importers of LPG for parallel marketing to abolish customs duty on LPG.

(b) The customs duty has been reduced from 15% to 10% in Budget 1995-96.

(c) and (d). Reduction in customs duty on LPG will be having impact on subsidy being provided to domestic LPG.

[English]

### Small Savings Collection

3740. SHRI RAJENDRA AGNIHOTRI : Will the Minister of FINANCE be pleased to state :

(a) the amount realised through small savings during the last three years, State-wise;

(b) whether there is a decline in small savings collections during this period;

(c) if so, the details thereof;

(d) whether any targets have been fixed in this regard;

(e) if so, the details thereof;

(f) the reasons for not meeting the targets of small savings; and

(g) steps being taken by the Government to increase collections under small savings schemes?