

(c) the steps proposed to be taken by the Government to save the industry in the militancy affected areas?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT) : (a) Yes, Sir.

(b) The details of the package of measures for industrialisation of the North East are as follows:

- i. Entire expenditure on Growth Centres, up to Rs.15 crores would be met through Central Assistance.
- ii. Funding pattern for Integrated Infrastructure Development Centres (IIDCs) changed to 4:1 between Government of India and SIDBI.
- iii. Transport subsidy scheme extended upto 31.3.2007 and amount to be disbursed through North East Development Financial Corporation.
- iv. Growth Centres & IIDCs to become tax-free zones for income tax and excise for 10 years and 15% subsidy on Plant & Machinery subject to a ceiling of Rs.30 lakhs.
- v. An interest subsidy of 3% on the working capital loans would be provided for a period of ten years after the commencement of production.
- vi. Comprehensive Insurance Scheme for new industrial units.

(c) State Government with the help of central forces extends protection to all vulnerable sections including industries.

[Translation]

#### National Co-operative Bank

2222. SHRI INDRAJEET MISHRA : Will the Minister of FINANCE be pleased to state :

(a) the number of Urban Co-operative Banks functioning in the country and the financial position thereof;

(b) whether the Government are contemplating to set up any National Co-operative Banks for the development of Urban Co-operative Banks at national level;

(c) if so, the details thereof; and

(d) if not, the other steps taken to strengthen the functioning of Urban Co-operative Banks?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) Reserve Bank of India (RBI) has reported that a total of 1811 Urban Co-operative Banks (including Salary Earners' Co-operative Banks and banks under liquidation) with about 5220 branches are functioning in the

country as on 31 March 1998. The financial position as on 31 March 1998 (provisional data from 1418 reporting banks) is as under:

	(Rs.crores)
Owned funds	- 5659
ii. Deposits	- 38472
iii. Borrowing	- 839
iv. Loans Outstanding	- 26455

(b) and (c) Government have no such proposal at present.

(d) Some of the steps taken by RBI to strengthen the functioning of Urban Co-operative Banks are as follows:

- Periodic statutory inspection of urban co-operative banks at biennial intervals to assess their financial health, solvency and their capacity to honour depositors' claim;
- Setting viability standards to ensure the financial health of the banks;
- Application of prudential norms to urban co-operative banks i.e. income recognition, asset classification and provisioning for non-performing assets;
- Introduction of exposure lending norms to ensure that no single borrower/group has monopoly access to bank credit;
- Monitoring the urban co-operative banks deployment of credit to priority sector/weaker sections;
- Extension of refinance facility by RBI under section 17 of the Reserve Bank of India Act, 1934 to Urban Co-operative Banks for financing production needs of tiny and cottage industries;
- Liaising with State Governments for revival of weak urban co-operative banks;
- Scheduled Urban Co-operative Banks have also been brought under the purview of Banking Ombudsmen Scheme for redressal of customers' grievances against deficiencies in banking service.

[English]

#### Withdrawal of SLR to PSU Bonds

2223. SHRI S.S. OWAIISI :  
SHRI PRASAD BABURAO TANPURE :

Will the Minister of FINANCE be pleased to state :

(a) whether Reserve Bank of India has sent a proposal to the Government for withdrawing the Statutory Liquidity Ratio (SLR status) to those PSU bonds which do not form part of market borrowing programme of the Government;

(b) if so, the details thereof and the action taken by Government on this proposal;