

Title : Need to rescind the order imposing restriction on the Urban Cooperative Banks to increase the proportion of Statutory Liquid Ratio holding particularly in Maharashtra –Laid.

SHRI SADASHIVRAO DADOBA MANDLIK(KOLHAPUR): Sir, the Reserve Bank of India vide its circular dated 19.4.2001 has imposed restrictions on the Urban Co-operative Banks to increase the proportion of Statutory Liquid Ratio (SLR) holding in the form of Government bonds and other approved securities as percentage of Net Demand and Time Liabilities (NDTL) in the prescribed format provided by them and the manner in which it should be achieved by March, 2002. The Reserve Bank of India, in its half yearly credit policy has imposed some major conditions which are applicable to the Urban / District Central Co-operative Banks.

The Urban Co-operative Banks have deposited major crunch of the amount of SLR holdings with the District Central Co-operative Banks. The amount deposited by these banks forms 40 % of deposits of distt. Central Co-operative Banks. In view of the changes suggested by RBI, the motto of Co-operative cannot achieve its objective as now the funds deposited with RBI cannot be used in the areas of movement.

I, therefore, request the Government to withdraw the said circular immediately.