

**Penalty on Premature Withdrawal of Deposits**

313. DR. C. SILVERA: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) has issued some directives to all primary cooperative banks not to levy penalty on premature withdrawal by depositors;

(b) if so, the details thereof; and

(c) the steps taken by the RBI to ensure that these directives are fully and honestly implemented by cooperative banks?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) Reserve Bank of India (RBI) has not issued any directive to the Primary Cooperative Banks advising them to levy penalty on premature withdrawal of deposits by depositors.

(b) Does not arise.

(c) Violations, if any, noticed during the course of inspections of the banks under section 35 of the Banking Regulation Act, 1949 are taken up by the RBI with the concerned banks for rectification.

**\* Overdues of Banks in Agricultural Sector**

314. SHRI PRAKASH KOKO BRAHMBHATT: Will the Minister of FINANCE be pleased to state:

(a) whether, in the agricultural sector, the overdues of commercial banks including the regional rural banks and co-operative banks have reached a staggering level of 43 per cent of the demand;

(b) if so, the total overdues as on June 30, 1988;

(c) the extent to which these overdues have further increased upto June 30, 1990;

(d) the extent to which the overdues in the co-operative banks have been less in comparison to commercial banks;

(e) the main reasons therefor; and

(f) the steps being taken to recover the dues from farm sector which have increased considerably?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE AND DEPUTY MINISTER IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI DIGVIJAY SINGH): (a) For the year ending June 1988, the percentage of overdues to demand in case of Primary Agricultural Cooperative Societies (PACS) was 40.65% (latest data available). For the Regional Rural Banks (RRBs), this figure was 51.11% and for Public Sector Banks, the same was 43.2%.

(b) The total overdues as on June 30, 1988 were Rs. 2132 crores for Primary Agricultural Cooperative Societies (PACS), Rs. 630 crores for Regional Rural Banks (RRBs) and Rs. 2207 crores for Public Sector Banks.

(c) to (f). The figures of overdues for June, 1990 are not available. While cooperative banks are mainly involved in financing agricultural and rural development activities, the same is only one sector of financing for the commercial banks and as such the comparison between the two may not be wholly appropriate. The banks take a number of steps to improve recovery performance in respect of their advances. These guidelines relate to banks taking effective measures like strengthening and gearing up of organisational structure both at controlling