

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (d) Yes Sir. The details are indicated in the table below:

Point-to-Point WPI-inflation rate (%)

(June 17 2006 and June 24, 2006)

Week ended on	All commodities	Primary articles	Fuel, power, light & lubricants	Manufactured products
June 17, 2006	5.44	7.66	9.94	2.87
June 24, 2006	4.84	7.08	7.90	2.75

In the recent weeks of current year, there has been pressure on prices of some food grains and of petrol and diesel. Increase in prices of food articles has largely been due to a shortfall in domestic supplies relative to demand and hardening of international prices.

Unfair means to collect debt by bank

2613. SHRI RAJEEV CHANDRA SEKHAR: Will the Minister of FINANCE be pleased to state:

(a) whether there have been recent reports that some people have been driven to suicide by the debt collection activities of a certain bank that was an erstwhile development bank created by Government;

(b) whether it is a fact that *goondas* and criminals elements were/are used by this bank for such collection activities;

(c) what steps/action Government have taken against such banks especially when Government are common man oriented; and

(d) the authorities responsible for regulating Banks *vis-a-vis* their conduct towards borrowers, since activities of these banks seem to either inadvertently or deliberately resulting in nexus with criminal elements; and

(e) whether there is any legislation to protect borrowers from action of lenders like this?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Reserve Bank of India (RBI) has come to know of two media reports alleging that the borrowers committed suicide due to the alleged harassment and humiliation by

recovery agents of a private sector bank. In both the cases, the concerned police authorities are investigating the matter.

(d) and (e) All commercial banks in the country are regulated by RBI. RBI had issued Fair Practices Code for Lenders in May 2003 advising scheduled commercial banks and All India Financial Institutions not to resort to undue harassment of the borrowers including credit card holders. The Indian Banks' Association (IBA) has formulated a "Model Code for collection of dues and repossession of security" as also a "Fair Practice Code for credit card operations" which has been recommended to banks for adoption and implementation. As per the Model Code, banks commit to maintaining Dignity and Respect to customers in their Debt Collection Policy and not follow policies that unduly coercive in collection of dues. The Fair Practice Code for credit cards operations incorporates a clause that the banks' dues collection policy would be built on courtesy, fair treatment and persuasion. RBI has also issued guidelines on credit card operations on 21.11.2005, which provide that the Banks/ NBFCs and their agents should not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude the privacy of the credit card holders' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations. Any violation by banks in this regard attracts penalties from RBI.

The Banking Ombudsman Scheme, 2006 has been notified w.e.f. 1st January, 2006 enlarging the scope of the scheme to cover customer complaints in areas such as levying service charges without prior notice to the customer and non-adherence to the Fair Practices Code as adopted by the banks, credit card complaints, deficiency in providing the services assured by the banks through their agents etc.

ATM in Vikas Sadan, INA

2614. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India ATM installed in the Vikas Sadan (DDA Office) INA colony is not serving the purpose of ATM as the same is installed inside the branch denying the customers the right to withdraw money during holidays and after banking hours; and