

Fair Practices Code, with the approval of their Boards. NBFCs have also been advised vide circular dated May 24, 2007 to lay out appropriate internal principles and procedures in determining interest rates and processing and other charges. Further, NBFCs were also advised vide company circular dated October 10, 2007 to invariably furnish a copy of the loan agreement along with a copy each of all enclosures quoted in the loan agreement to all the borrowers at the time of sanction/disbursement of loans. NBFCs were advised vide circular dated January 2, 2009 that the Board of the NBFC should adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances. The rate of interest and the approach for gradations of risk and rationale for charging different rate of interest to different categories of borrowers should be disclosed to the borrower or customer in the application form and communicated explicitly in the sanction letter etc.

#### **Replacement of old lockers in North Bihar regional rural bank**

†3623. SHRI UPENDRA KUSHWAHA: Will the Minister of FINANCE be pleased to state:

(a) whether the North Bihar Regional Rural Bank, Muzaffarpur, in its process of acquiring new safelockers in all of its 877 branches has sold all of its old Godrej lockers at the rate of Rs. 3000/- each to the supplier of new lockers without following the prescribed procedure, whereas the minimum price an old Godrej locker can fetch, around Rs. 10,000 in open market through tender and bid;

(b) if so, the rationale behind the same along with the details thereof;

(c) whether the Bank has suffered a loss of lakhs of rupees in the process; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):  
(a) to (d) Uttar Bihar Gramin Bank, Muzaffarpur has reported that it has replaced 27 "Pop Godrej old safe with 41" BB Godrej safe in only 189 remote branches where robbery/dacoity frequently occurred. The bank has further reported that this exercise was undertaken as per prescribed procedure with the approval of the Board of the Bank.

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†Original notice of the question was received in Hindi.