

- Eligible Crop in notified area are covered under Crop Insurance Scheme - National Agriculture Insurance Scheme (NSID).
- Margin not required.

(II) Swarojgar Credit Card

- It is issued to small artisans, handloom weavers, service sector, fishermen, self employed persons, rickshaw owners and other micro entrepreneurs.
- Limit of Rs. 25000 sanctioned for five years subject to renewal every year.
- Covered Under Group Insurance Scheme. Premium to be shared by bank and borrower equally.

New NBFCs

3461. DR. PRABHAKAR KORE : Will the Minister of FINANCE be pleased to state:

- whether it is a fact that a new category of Non-Banking Financial Companies (NBFCs) or MFIs has been introduced recently in the country;
- if so, the details thereof;
- whether Government has issued any guideline for the implementation of the scheme;
- if so, the details thereof;
- whether Government has forced any target for the NBFCs-MFIs; and
- if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (d) Reserve Bank of India (RBI) had set up a sub-committee of the Central Board of Directors of the RBI to study the issues and concerns in the microfinance sector, including ways and means of making interest rates charged by them reasonable. The Sub-Committee recommended creation of separate category of NBFCs operating in the microfinance sector to be designated as Non Banking Financial Company – Micro Finance Institutions (NBFC-MFIs). Accordingly, a separate category of NBFC, viz., NBFC-MFI has been introduced on 2.12.2011 under the new regulatory framework including regulation on capital adequacy, asset classification and provisioning norms to be adhered to by the MFIs with effect from 01.04.2012. Bank lending to NBFCs which qualify as NBFC-MFIs will be entitled to 'Priority Lending' status. For monitoring compliance with regulations, the Sub-Committee has proposed a four-pillar approach with the responsibility being shared by (a) MFI, (b) industry

associations, (c) banks, and (d) the Reserve Bank of India. However, taking into account the difficulties faced by MFI sector, it was decided by RBI to defer the implementation of asset classification and provisioning norms for NBFC-MFIs to 01.04.2013. NBFC-MFI are required to comply with the other regulations laid down in the RBI circular dated 2.12.2011.

(e) and (f) Based on the recommendations of the Sub-Committee, RBI issued a circular on 03.05.2011 providing that the bank credit to Micro Finance Institutions extended on or after 01.04.2011 for on-lending to individuals and also members of Self Help Groups (SHGs)/Joint Liability Groups (JLGs), will be eligible for categorization as priority sector advances under the respective categories *viz.*, agriculture, micro and small enterprises, and micro credit (for other purposes), as indirect finance; provided not less than 85% of total assets of MFI (other than cash balances with banks and financial institution, government securities and money market instruments) are in the nature of 'qualifying assets'. In addition, aggregate amount of loan, extended for income generating activity should not be less than 75% of the total loans given by MFIs.

Declining profits of PSU Banks

3462. SHRI PRAKASH JAVADEKAR : Will the Minister of FINANCE be pleased to state :

- (a) whether it is a fact that since 2007 the PSU Banks have been facing fund crunch, and growing Non-Performing Assets (NPAs);
- (b) if so, the details of PSU banks performance since 2007 onwards; and
- (c) the actions Government has taken to meet the declining profits of these PSU Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) The details of important financial indicators *i.e.* profitability, performance and/liquidity indicators, capital adequacy position and asset quality of public sector banks as at end March, 2007, 2008, 2009, 2010, and 2011 as provided by Reserve Bank of India (RBI) are given as under :

(Rs. In crore)

Indicators	March 2007	March 2008	March 2009	March 2010	March 2011
1	2	3	4	5	6
Total Assets	23,29,247	28,84,865	32,65,884	41,84,937	49,69,297
Total Deposits	19,11,993	23,56,776	29,83,628	35,34,509	41,72,558