

population in hilly and far-flung areas in Himachal Pradesh for opening of new SBI branches; and

(b) If so, whether Government would consider the demand for opening of new SBI branch in Jangla, Himachal Pradesh which is a centre of six gram panchayats with 15,000 population ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) New bank branches are opened under Reserve Bank of India's (RBI) Branch Authorization Policy. While considering the proposals for opening of new branches, Bank *inter-alia* into consideration existing banking network, business potential and viability.

(b) As a branch each of UCO Bank and Himachal Pradesh State Co-operative Bank Ltd. are already functioning at village Jangla and are catering to the banking requirements of the people in the area, State Bank of India (SBI) has informed that, at present, it is not viable to open another Bank branch at village Jangla.

#### **Writing off Loans of Cyclone Affected Farmers**

2071. SHRI T.K. RANGARAJAN : Will the Minister of Finance be pleased to state:

Whether Government has any plans to write off the loans taken by farmers of Villupuram and Cuddalore Districts and Pondicherry who are affected by Thane Cyclone from public financial institutions ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): In order to provide relief to bank borrowers in times of natural calamities, Reserve Bank of India has issued standing guidelines to banks. The relief measures, *inter-alia*, include conversion of the principal amount outstanding in the crop loans and agriculture term loans as well as accrued interest thereon into term loans for period ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops; treatment of converted/rescheduled agri-loans as 'current dues'; non compounding of interest in respect of loans converted/rescheduled; moratorium period of at least one year, while restructuring; relaxed security and margin norms; fresh crop loans and consumption loans for affected farmers. It has also been clarified that the accounts that are restructured for the second time or more on account of natural calamities would retain the same asset classification category on restructuring. Accordingly, for once restructured standard asset, the restructuring necessitated on account of natural calamity would not be treated as second restructuring, *i.e.*, the standard asset classification will be allowed to be maintained.

#### **Strengthening of Indian Economy**

2072. SHRI BIRENDER SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the services sector has been the power house of India's growth producing more than half of country's GDP for more than a decade now;