

Rural Infrastructure Development Fund

2225. SHRI TAPAN KUMAR SEN : Will the Minister of FINANCE be pleased to state:

- (a) the quantum of funds that were earmarked for warehousing financing under Rural Infrastructure Development Fund (RIDF) during 2010-11 and 2011-12 budget;
- (b) whether RIDF fund can be utilized for refinancing by NABARD;
- (c) whether NABARD can utilize the funds earmarked for warehousing under RIDF for refinancing of private warehouses;
- (d) whether NABARD have violated RBI-GOI directives regarding RIDF financing; and
- (e) if so, the action that is proposed to rectify the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) No funds were earmarked for warehousing finance under Rural Infrastructure Development Fund (RIDF) during 2010-11. An amount of Rs. 2000 crore was earmarked for warehousing infrastructure in 2011-12.

(b) to (e) RIDF fund for warehousing was also used to provide refinance by NABARD to Scheduled Commercial Banks, Regional Rural Banks and Cooperative Banks as per the NABARD warehousing scheme, for the said objective.

Merger of two regional rural banks of Uttarakhand with nationalized banks

†2226. SHRI MAHENDRA SINGH MAHRA : Will the Minister of FINANCE be pleased to state:

- (a) whether a decision has been taken to merge Almora-Nainital Regional Rural Bank and Pithoragarh Regional Rural Bank with the nationalized banks;
- (b) if so, the total number of the branches of these banks and the places where they are situated and names of the nationalized banks with which these branches are going to be merged; and
- (c) the reasons which necessitated merging of the regional rural banks with other nationalized banks?

†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (c) No Regional Rural Banks (RRBs) are proposed to be merged with nationalised banks.

However, two RRBs namely Nainital Alamora Kshetriya Gramin Bank and Uttaranchal Gramin Bank which were the only RRBs functioning in the State of Uttarakhand have been amalgamated into one RRB namely Uttarakhand Gramin Bank on 1st November, 2012 under sponsorship of State Bank of India.

Non-life insurance business

2227. DR. K.P. RAMALINGAM : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the non-life insurance business is at present estimated at less than one per cent of the GDP;

(b) if so, the details thereof;

(c) whether it is also a fact that Government has asked the non-life insurance companies to come up with specific proposal to increase penetration of non-life insurance business in the country; and

(d) if so, the details thereof and the response received from the non-life insurance companies in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) As per Insurance Regulatory and Development Authority (IRDA) the non-life insurance business was 0.70% of GDP in 2011.

(c) and (d) The Public Sector General Insurance Companies (PSGIC) duly assessing the market potential have decided to open branches up to tier IV cities in the country. This would help in increasing insurance penetration in the country.

Tax savings for disabled persons

2228. SHRI UPENDRA KUSHWAHA : Will the Minister of FINANCE be pleased to state:

(a) whether disabled persons are entitled for higher rate of interest on their savings in banks;

(b) if so, the reasons for deducting TDS from interest accruing on their deposits by banks;