

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) NABARD was established for providing and regulating credit and other facilities for the promotion and development of agriculture small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promoting integrated rural development and securing prosperity of rural areas, and for matters connected therewith or incidental thereto.

NABARD since its inception in 1982 has been taking a number of initiative towards fulfilling its objectives. These *inter-alia* include providing refinance to rural financial institutions, providing support under Rural Infrastructure Development Fund (RIDF), supporting short-term cooperative credit structure, supporting self help groups and promoting financial inclusion.

Guidelines for issue of new licence for private banks

2359. SHRI ALOK TIWARI:

SHRI PRABHAT JHA:

SHRIMATI KUSUM RAI:

SHRI ARVIND KUMAR SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has issued fresh guidelines for new bank licences to private companies on 22 February, 2013;

(b) if so, the details thereof;

(c) whether Government has prescribed norms for opening of new banks by private companies in rural areas;

(d) if so, the details thereof;

(e) if not, the reasons therefor; and

(f) the details of guidelines which prescribe for minimum lending to agriculture sector, minorities and weavers by private banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Reserve Bank of India (RBI) has released “Guidelines for licensing of New Banks in Private Sector” *vide* Press Release dated February 22, 2013.

Key features of the guidelines include eligible promoters; 'fit and proper' criteria; promoting a bank through a wholly-owned Non-Operative Financial Holding Company (NOFHC); corporate structure of the NOFHC; minimum voting equity capital requirements for bank and shareholding by NOFHC; regulatory framework; foreign shareholding in the bank; corporate governance of NOFHC; prudential norms for the NOFHC; exposure norms; business plan for the bank; etc. RBI has placed the detailed guidelines on its website www.rbi.org.in for information of all.

(c) to (e) In terms of RBI guidelines, a bank shall open at least 25 percent of its branches in unbanked rural centres (population up to 9999 as per the latest census) and shall comply with the priority sector lending targets and sub-targets as applicable to the existing domestic banks.

(f) The RBI's Master Circular dated 02.07.2012 on Lending to Priority Sector envisages the target for domestic commercial banks of 40% of Adjusted Net Bank Credit (ANBC) or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher; agriculture advances at 18% of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher; advances to weaker sections targeted at 10% of ANBC or credit equivalent amount of Off-Balance Sheet Exposure, whichever is higher. RBI has also instructed to ensure that not less than 40% of the advances granted under the Differential Rate of Interest (DRI) Scheme (which is for the weaker sections) go to the Schedule Castes/Scheduled Tribes and at least two third of DRI advances should be granted through rural and semi-urban branches. RBI has placed the detailed guidelines on its website www.rbi.org.in.

Charges on payments by cheque

2360. DR. K.P. RAMALINGAM: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the cheque books may go the way of physical share certificates if proposals mooted by the Reserve Bank of India (RBI) are enforced;

(b) if so, the details thereof;

(c) whether it is also a fact that the RBI has proposed charges for individuals when payments are made by cheques and penal processing fees for