

- (a) whether it is a fact that the banking network in rural districts of Bihar is poor;
- (b) if so, the reasons therefor;
- (c) the number of applications or requests received from the banks to open their branches in rural districts of Bihar; and
- (d) the number of applications or requests accepted and the time by when their branches will be opened?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) and (b) No Sir. Reserve Bank of India (RBI) has informed that as on 31.12.2014, Bihar had 5860 branches of Scheduled Commercial Banks (SCBs) out of which 3212 branches are in rural areas (54.81%). Nationwide as on 31.12.2014, there are 122861 branches of SCBs, out of which 47487 branches are in rural areas (38.65%). State Level Banker's Committee (SLBC), Bihar has informed that as on 31.03.2015, in addition, 10375 Business Correspondents/Bank Mitras are also operating in rural areas covering all rural Sub Service Areas (SSAs) of the State.

(c) and (d) In order to extend the banking network in unbanked areas, general permission has been granted by Reserve Bank of India (RBI) to domestic Scheduled Commercial Banks (other than Regional Rural Banks) to open branches/mobile branches/Administrative Offices/CPCs (Service Branches), (i) in Tier 2 to Tier 6 centres (with population upto 99,999) and (ii) in rural, semi-urban and urban centres of the North-Eastern States and Sikkim subject to reporting. RBI has advised banks that while preparing their Annual Branch Expansion Plan (ABEP), the banks should allocate at least 25 percent of the total number of branches proposed to be opened during a year in unbanked rural (Tier 5 and Tier 6) centres.

SLBC, Bihar has informed that in view of RBI guidelines no separate request is required to be made by banks to RBI for opening of rural branches. Banks in Bihar have opened 751 branches in rural areas during the last three years, which is around 52% of total number of branches opened during this period.

Interest waiver on loans

978. SHRI ARVIND KUMAR SINGH: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Questions 3634 and 3372 replied on 12 August and 23rd December, 2014 in the Rajya Sabha and state:

- (a) the rationale for allowing waiver of interest on loans secured fraudulently under Bank's Compromise Scheme by Purvanchal Bank;

(b) whether NABARD is aware that RRBs are waiving interests on loans secured on forged documents;

(c) if so, the action NABARD would take against guilty officials of RRBs including Purvanchal Bank, Narahi, Ballia who are illegally waiving loans/interests thereon to benefit the fraudsters;

(d) whether the interests on forged loans sanctioned to fraudsters by Purvanchal Bank, Narahi have not increased since several years though these were recovered in 2014, if so, the reasons therefor; and

(e) by when the waived interests with accurate calculations would be recovered from fraudsters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) The Purvanchal Bank has reported that its Narahi Branch has waived interest in respect of 3 Kisan Credit Card (KCC) loans under the Bank's Compromise Scheme at the Rashtriya Lok Adalat. However, as regards waiver of interest, the Bank has initiated action against erring officials as per their Service Rules.

(b) and (c) The National Bank for Agriculture and Rural Development (NABARD) have informed that the matter was reported to them. However, prevention/detection and management of frauds is the basic responsibility of the bank concerned and any action against guilty officials, indulging in any illegal practice including waiving of interest of loans to benefit fraudsters is governed by the Service Rules of the respective Bank.

(d) As reported by Purvanchal Bank, during the settlement of these accounts in Rashtriya Lok Adalat, interest portion was taken into consideration while arriving at the compromise amount.

(e) Purvanchal Bank has reported that suitable action will be taken against erring officials after concluding investigation/inquiry.

Regulating norms for insurance agents

979. SHRI AHMED PATEL: Will the Minister of FINANCE be pleased to state:

- (a) the norms that regulate insurance agents in India;
- (b) how many registered insurance agents are currently operating in India;
- (c) what is the incidence of mis-selling of insurance products in India;