

**Rupee convertibility**

1789. SHRI RITABRATA BANERJEE : Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that rupee convertibility is to be a reality within an year; and
- (b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA) : (a) and (b) The Capital account openness is being progressively liberalized in keeping with the macro economic conditions and the requirements of Indian industries, individuals and financial sectors. There is no target date for achieving full capital account convertibility. Progress on capital account convertibility will depend on how the domestic macro-economic conditions as well as global financial situation evolve.

**Non-Display of Ombudsman redressal mechanism by Banks**

1790. DR. CHANDAN MITRA : Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware that most of the banks have not displayed the Ombudsman redressal mechanism prominently at their branches and people are not aware of the grievance redressal mechanism;
- (b) if so, the details thereof along with the reasons therefor; and
- (c) the corrective steps taken by Government to strengthen the mechanism for resolution of customer complaints in banks especially in Madhya Pradesh?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA) : (a) and (b) The Government is aware that the Reserve Bank of India conducts random incognito visits of bank branches to assess the level of customer service in bank branches which have revealed few instances where bank branches did not display the comprehensive notice board on the information relating to Ombudsman redressal mechanism prominently. Findings of these visits are brought to the notice of the banks concerned for corrective action.

(c) The Department of Financial Services has issued policy guidelines/ instructions to all Public Sector Banks and RBI to ensure time bound resolution of all customer complaints /public grievances from time to time. All the Public Sector Banks have mechanism for prompt resolution of customer complaints.

Further, the RBI has also issued detailed guidelines on redressal of customer complaints in banks, some of the important features are as under:

Banks should ensure that a suitable mechanism exists for receiving and addressing

complaints from its customers/constituents with specific emphasis on resolving such complaints fairly and expeditiously regardless of source of the complaints. Banks are also advised to:

- (i) Ensure that the complaint registers are kept at prominent place in their branches which would make it possible for the customers to enter their complaints.
- (ii) Have a system of acknowledging the complaints, where the complaints are received through letters/forms.
- (iii) Fix a time-frame for resolving the complaints received at different levels.
- (iv) Ensure that redressal of complaints emanating from rural areas and those relating to financial assistance to Priority Sector and Government's Poverty Alleviation Programmes also form part of the above process.
- (v) Prominently display at the branches, the names of the officials who can be contacted for redressal of complaints, together with their direct telephone number, fax number, complete address (not Post Box No.) and e-mail address, etc., for proper and timely contact by the customers and for enhancing the effectiveness of the redressal machinery.
- (vi) The names of the officials displayed at the branches, who can be contacted for redressal of complaints should also include the name and other details of the concerned Nodal Officer appointed under the Banking Ombudsman Scheme, 2006.
- (vii) Banks should display on their web-sites, the names and other details of the officials at their Head Office/Regional Offices/Zonal Offices who can be contacted for redressal of complaints including the names of the Nodal Officers I Principal Nodal Officers.
- (viii) Further, banks should also display on their web-sites, the names and other details of their CMD/CEO and also Line Functioning Heads for various operations to enable their customers to approach them in case of need, if necessary.
- (ix) Further, banks are required to disclose the brief details regarding the number of complaints along with their financial results.

RBI introduced the Banking Ombudsman (BO) Scheme for the banking sector in 1995 and subsequently modified in 2002, 2006, 2007 and 2009 to provide an expeditious and inexpensive forum to bank customers for resolution of their complaints relating to deficiency in banking services provided by commercial banks, regional rural banks and scheduled primary co-operative banks etc. As on date, there are 27 grounds of deficiencies in banking services on which customers can approach the Banking Ombudsman. RBI operates the BO Scheme free of cost to make it accessible to common people.

There are 15 Offices of Banking Ombudsman spread across the country. An office of the Banking Ombudsman is in existence in Bhopal covering the States of Madhya Pradesh and Chhattisgarh. The Scheme provides for an appellate mechanism also, by which the Deputy Governor in charge of Consumer Education and Protection Department of Reserve Bank is the Appellate Authority.

**Application for licences of small Finance Banks and Payments Banks**

1791 DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

- (a) the number of applications pending with the Reserve Bank of India (RBI) for issuing licenses for starting small finance banks and payments banks;
- (b) how many such applications have been issued licenses so far to promote financial inclusion and to widen financial reach for small savings accounts; and
- (c) the time by which all applications are likely to be disposed of?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA) : (a) Final guidelines on 'Payments Banks' and 'Small Finance Banks' as differentiated banks were placed on Reserve Bank of India (RBI) website on November 27, 2014 inviting applications for setting up of Payments Banks and Small Finance Banks in Private Sector. RBI received 72 and 41 applications for Small Finance Banks and Payments Banks respectively as on February 02, 2015, the last date for receipt of applications.

(b) and (c) The scrutiny of the applications is under process and no in-principle approval has been issued so far.

The timeline will depend on the time taken for completion of the approval process, including receipt of due diligence reports from various agencies.

**Debt burden of States**

1792. SHRI AHMED PATEL : Will the Minister of FINANCE be pleased to state:

- (a) whether the debt burden of various States is increasing alarmingly;
- (b) if so, the details of the external and internal debt of the various States, including Gujarat, till the end of March, 2015;
- (c) the details of debt compared to the national average in terms of State Gross Domestic Products and National Gross Domestic Products respectively; and
- (d) the steps taken by the Central Government to arrest the debt burden of the States?