

**Non-Banking Financial Companies**

3523. SHRIMATI BHAVNA BEN DEVRAJ BHAI CHIKHALIA : Will the Minister of FINANCE be pleased to state :

(a) the details of non-banking financial institutions to whom the Reserve Bank of India has issued licences for transacting business, State-wise;

(b) whether some of non-banking financial institutions are not abiding the directions issued by R.B.I.;

(c) if so, the details thereof and action taken against them;

(d) whether the Government are aware that many such institutions have cheated people in Gujarat and also in many other States;

(e) if so, the details thereof, State-wise;

(f) whether the Government propose to impose ban on these institutions; and

(g) if so, by when and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Reserve Bank of India (RBI) does not issue licences to Non-Banking Financial Companies (NBFCs) for carrying on their business.

(b) Yes, Sir.

(c) to (e) As on 30th June, 1996, RBI has prohibited 201 NBFCs including Residuary Non-Banking Companies (RNBCs) from accepting further deposits for violating the Non-Banking Finance Companies (Reserve Bank) Directions, 1977/Residuary Non-Banking Finance Companies (Reserve Bank) Directions, 1987. No NBFC in the State of Gujarat has been prohibited in the recent past.

(f) and (g) For effective and better regulation of the NBFCs, action has been initiated to bring about certain legislative changes in the Reserve Bank of India Act.

[English]

**Rural Banking Network**

3524. SHRI PRAMOD MAHAJAN : Will the Minister of FINANCE be pleased to state :

(a) the details of the present network of rural banks with their Branches in the country to cater the needs of rural credit;

(b) the extent to which those banks and nationalised

banks have been able to cater the needs of the people in the rural areas during each of the last three years;

(c) the number of rural local area banks set up in 1995-96 and proposed to be set up in 1996-97 and 1997-98, State-wise, particularly in Maharashtra; and

(d) the measures taken for reforming the rural banking sector ?

THE MINISTER FOR FINANCE (SHRI P. CHIDAMBARAM) : (a) The National Bank for Agriculture and Rural Development (NABARD) has reported that there are 196 Regional Rural Banks (RRBs) with over 14500 branches spread over 425 districts.

(b) NABARD has reported that the loans outstanding of the RRBs during 1992-93, 1993-94 and 1994-95 are as below :

Year	Number of accounts (in lakhs)	Amount outstanding (Rs. crores)
1992-93	123.82	4627
1993-94	124.22	5253
1994-95	125.98	6291

As far as public sector banks are concerned, the priority sector outstandings as on the last Friday of March of last three years is as below :

Year	Number of accounts (in lakhs)	Amount outstanding (Rs. crores)
March, 94	365.06	53197
March, 95	361.73	61794
March, 96*	355.79	69609

\* Provisional

(c) No local area bank was set up in 1995-96 as the policy permitting the operation of such banks has come into force since July, 1996. Such banks are to be set up in the private sector and as such, the information regarding the number of banks that are proposed to be set up is not available with Government.

(d) Several steps have been taken to strengthen the rural banks, including the RRBs. These include :

(i) With a view to widening the range and scope of services of RRBs have been allowed with effect from 1.1.1994 to finance non-target groups to the extent of 60 per cent of their fresh lending; more discretionary powers have