

PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA

FRAMING NEW NORMS ON HEALTH INSURANCE

New Delhi, Agrahayana 25, 1933
December 16, 2011

Insurance Regulatory and Development Authority (IRDA) has issued guidelines vide circular dated 9.9.2011 implementing portability of health insurance policies amongst non-life insurance companies w.e.f. 1.10.2011. The health insurance policy holder by virtue of the said circular can, at the time of renewal, switch:-

- i) from one insurance company to another insurance company of his choice; or
- ii) from one insurance plan to another insurance plan with the same insurance company.

By the process, the policy holder will not lose the credits gained in terms of waiting periods for pre-existing conditions, time-bound exclusions, etc.

The Health Insurance Policy Holder can at the time of Renewal of his/her policies can shift to another Insurance Company for a similar product, if he is not satisfied with the present Insurance Company for any reason, without losing the Credits gained, if renewed with the existing company. This was not the case earlier; because change in insurance company or plans amounted to loss of these credits and the policies started as new, carrying all time limitations afresh.

Thus “Portability” helps to have a level playing field for all insurance companies and the Customer can choose and compare benefits across products and Companies. IRDA has also provided a portability portal facilitating easy data transfer between the insurance companies.

The views of the General Insurance Council and Life Insurance Council were taken into account by IRDA while finalizing the Portability circular dated 9.9.2011.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to an Unstarred Question in Lok Sabha today.

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**PRESS INFORMATION BUREAU
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UNIVERSAL HEALTH INSURANCE SCHEME

New Delhi, Agrahayana 25, 1933
December 16, 2011

The Universal Health Insurance Scheme (UHS) launched by the Government of India w.e.f. 14.7.2003 is already in existence for persons and families below the poverty line with element of subsidy from the Government. In addition, the Rashtriya Swasthya Bima Yojana (RSBY) was also rolled out from 1.4.2008 by the Government to provide the health insurance coverage for Below Poverty Line (BPL) families. The scheme has also been extended to unorganized sector workers such as MNREGA workers, street vendors, beedi & domestic workers, etc. However, the Planning Commission had constituted a High Level Expert Group(HLEG) on Universal Health Coverage(UHC) to, inter alia, develop a blue print and investment plan for achieving 'Health for All by 2020'. The report of the HLEG has been submitted to the Planning Commission. The major recommendations of HLEG are on (i) health financing and financial protection; (ii) access to medicines, vaccines and technology; (iii) human resources for health; (iv) health service norms; (v) management and institutional reforms; (vi) community participation and citizen engagement; (vii) social determinants of health etc. The recommendations of the HLEG, as approved by the Government, would form part of 12th Five Year Plan of the Government.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to an Unstarred Question in Lok Sabha today.

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**PRESS INFORMATION BUREAU
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FAKE CURRENCY

New Delhi, Agrahayana 25, 1933
December 16, 2011

Reserve Bank of India (RBI) has reported that data on fake notes detected by the 'banking system' (in pieces) for the period from April, 2010 to September, 2011 is as under:

Year	Rs.10	Rs.20	Rs.50	Rs.100	Rs.500	Rs.1000	Total (Pieces)
April, 2010 to March, 2011	139	126	10,962	124,219	246,049	54,112	435,607
April, 2011 to Sept. 2011	40	158	6156	65,782	152,930	39,216	264.282

RBI has further reported that the data on source-wise detection of counterfeit notes during the period April 2010 to September, 2011 is as under:

Year	Detection in pieces by RBI	Detection in pieces by banks	Total detection in pieces
April 2010 to March 2011	45,235	390,372	435,607
April 2011 to September 2011	19,104	245,178	264,282

To address the multi-dimensional aspects of fake Indian currency notes (FICN) menace, several agencies such as the RBI, the Ministry of Finance, Ministry of Home Affairs(MHA), Security and Intelligence Agencies of the Centre and States , Central Bureau of Investigation (CBI) etc. , are working in tandem to thwart the illegal activities relating to FICNs. The works of these agencies are periodically reviewed by a nodal group set up for this purpose. In this context, at the functional level, the CBI has also been declared as the nodal agency for co-ordination with the States and, the Directorate of Revenue Intelligence has been nominated as the Lead Intelligence Agency for smuggled FICNs.

Further, one special FICN Co-ordination Group has been formed in MHA to share the intelligence/information amongst the different security agencies of the State/Centre to counter the menace of circulation of fake currency with in the country , with CBI being the nodal agency.

National Investigation Agency (NIA) has been empowered by the National Investigation Agency Act to investigate and prosecute such offences. The Government has

also constituted a Terror Funding and Fake Currency Cell in the National Investigation Agency (NIA) in 2010 to focus on investigation of Terror Funding and Fake Currency Cases. The security features in the High Value Currency notes are being constantly upgraded by RBI. RBI has also strengthened the mechanism for detection of counterfeit notes by the Banks.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to an Unstarred Question in Lok Sabha today.

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**PRESS INFORMATION BUREAU
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APPOINTMENT OF CRA IN NPS

New Delhi, Agrahayana 25, 1933
December 16, 2011

National Securities Depository Limited (NSDL) has been appointed as CRA for NPS.

Public sector entities with at least 5 years in central recordkeeping and administration functions, minimum positive net worth of Rs. 50 crore (Rupees Fifty crore) and experience in managing over five lakh individual accounts per year over the last three years were eligible to submit expression of interest. NSDL was selected after evaluation of the proposals received.

In the matter of IPO irregularities, Securities Exchange Board of India (SEBI) initiated various proceedings against NSDL. The current status of proceedings against NSDL is as under:

- (i) SEBI passed an ex parte interim Order on April 27, 2006 against NSDL, *inter alia*, alleging certain lapses / failure on the part of depositories and further directed them to take all appropriate action including revamping of management. The said order was challenged by NSDL before Securities Appellate Tribunal (SAT) and SAT granted interim stay to the limited extent of directions to revamp the management. Subsequently the said appeal was disposed of by an order dated November 22, 2007 with a view that the observations made in the said ex-parte order were prima facie & final orders shall be passed on consideration of materials collected during investigation.
- (ii) SEBI passed Disgorgement order on November 21, 2006 directing NSDL, Central Depository Services Limited (CDSL) and eight Depository Participants (DPs) to disgorge jointly and severally Rs.115.82 crore. NSDL filed appeal before SAT and on November 22, 2007 SAT set aside the said disgorgement order.
- (iii) SEBI passed Adjudication Order on April 27, 2007 imposing monetary penalty of Rs. Five crore on NSDL which was challenged before SAT. SAT on January 14, 2009 set aside the said Adjudication order.
- (iv) SEBI appointed Committee comprising of Dr. Mohan Gopal and Shri V. Leeladhar on February 18, 2008 to take over and dispose of the ongoing quasi-judicial proceedings against NSDL. The Committee passed its final order on December 04, 2008. Thereafter SEBI Board on November 09, 2009 concluded that order dated December 04, 2008 relating to IPO became non-est and decided to hear these matters afresh by the full SEBI Board. Subsequently SEBI on February 02, 2010 passed fresh

final order disposing the proceedings against NSDL. Thereafter based on directions of Hon'ble Supreme Court dated January 19, 2011, SEBI on July 28, 2011 released the order of the Committee dated December 04, 2008 which was earlier concluded as non-est. Thereafter NSDL filed appeal before SAT against the said order dated December 04, 2008 & the matter is under appeal before SAT.

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PRESS INFORMATION BUREAU
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FAKE CURRENCY THROUGH ATMs

New Delhi, Agrahayana 25, 1933

December 16, 2011

Reserve Bank of India (RBI) has reported that there were 25 complaints received in RBI regarding receipt of counterfeit currency notes through ATM during the period from 1.7.2008 to 31.10.2011 as detailed in the Annexure. All the complaints have been disposed in appropriate manner as indicated against each.

To address the multi-dimensional aspects of Fake Indian Currency Notes(FICN) menace, several agencies such as the RBI, the Ministry of Finance, Ministry of Home Affairs(MHA), Security and Intelligence Agencies of the Centre and States , Central Bureau of Investigation (CBI) etc. , are working in tandem to thwart the illegal activities relating to FICNs. The works of these agencies are periodically reviewed by a nodal group set up for this purpose. In this context, at the functional level, the CBI has also been declared as the nodal agency for co-ordination with the States and, the Directorate of Revenue Intelligence has been nominated as the Lead Intelligence Agency for smuggled FICNs.

Further, one special FICN Co-ordination Group has been formed in MHA to share the intelligence/information amongst the different security agencies of the State/Centre to counter the menace of circulation of fake currency with in the country , with CBI being the nodal agency.

National Investigation Agency (NIA) has been empowered by the National Investigation Agency Act to investigate and prosecute such offences. The Government has also constituted a Terror Funding and Fake Currency Cell in the National Investigation Agency (NIA) in 2010 to focus on investigation of Terror Funding and Fake Currency Cases.

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PRESS INFORMATION BUREAU
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NON-INVESTMENT OF NPS FUND

New Delhi, Agrahayana 25, 1933

December 16, 2011

A total amount of Rs. 971.48 crore, collected towards contribution for Government employees, from 2004 to March 2008, under the New Pension System (NPS), was credited to the Public Account of India.

The institutional architecture for NPS could not be operationalised by the Interim Pension Fund Regulatory and Development Authority (PFRDA). Therefore, the contribution for the Government employees under the NPS could not be invested in the market.

The funds were credited to Public Account and interest @ 8% p.a. was paid on the contribution.

The establishment of institutional architecture by the PFRDA, based on objective and financial criteria, took some time, therefore, the question of conducting an enquiry does not arise.

The interest @ 8% p.a. was paid on the contribution by the Government.

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PRESS INFORMATION BUREAU
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CHARGES AGAINST SENIOR OFFICIALS IN BANKS

New Delhi, Agrahayana 25, 1933
December 16, 2011

The institutionalized mechanism is prescribed in the Vigilance Manual of the Central Vigilance Commission (CVC). Anti-corruption measures of the Central Government are the responsibility of (i) Administrative Vigilance Division (AVD) in the Department of Personnel & Training (ii) Central Bureau of Investigation; and (iii) Vigilance units in the Ministries/Departments of Government of India, Central Public Enterprises and other autonomous organizations; (iv) the disciplinary authorities; and (v) the Central Vigilance Commission. In addition, a Special Investigation Cell in the Department of Banking Supervision (DBS) in RBI and a Group of Officers in the Cabinet Secretariat, also examine the complaints received against the Board level appointees of Public Sector Banks (PSBs).

Nature of the complaints against Board level appointees of PSBs includes allegations relating to graft in sanction of credit proposals, compromise settlements, write off, take over of accounts from the other banks, irregularities in grant of advances, abuse of official position, possessing disproportionate assets etc.

Number of complaints received in CVC against Bank Officers of the level of Scale-V and above during the year 2007, 2008, 2009, 2010 and 2011 (January - July) are 83, 116, 101, 107 and 48 respectively. The year-wise and Bank-wise details are annexed.

Such complaints are enquired by the Chief Vigilance Officers/Direct Inquiry Officers in CVC/Central Bureau of Investigation and appropriate action is taken against the delinquent officials as per their Conduct and Disciplinary Rules.

Many complaints received in CVC/Government are found to be anonymous or frivolous in nature. Such complaints are filed in the first instance or sent to the concerned CVO for necessary action. Remaining complaints are taken up by CVC for verification of facts /allegations. Status of such complaints are as under:

SL.No.	Status	No. of cases
1.	Recommended for closure	175
2	Recommended for major penalty	6
3.	Recommended for	6

	administrative action	
4	Under Various stages of examination	48
	Total	235

During this period (2007 to till June 2011), CBI has investigated 62 cases out of which 44 cases have been disposed off and 18 cases are still under investigation.

RBI has issued various circulars for prevention of frauds and malpractices in banks .Some of the important circulars are as mentioned below:

- (i) DBOD Circular dated 25.8.1992 on recommendation of the Committee to enquire into various aspects relating to frauds and mal- practices in banks
- (ii) DBS Circular dated 1.11.1996 conveying recommendations of the Working Group on internal controls and inspection of audit systems in banks.
- (iii) DBS Circular dated 20.9.2004 on strengthening of internal vigilance machinery in banks and financial institutions.
- (iv) DBS circular dated 16.9.2009 on fraud prevention and management function.
- (v) DBS circular dated 31.5.2011 on findings and forensic scrutiny – guidelines for prevention of frauds.

Banks are required to submit report on each fraud to RBI. RBI may discuss these matters in the structured meetings held between the Banks and RBI.

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Annexure as referred to in reply to Lok Sabha USQ.No.3750 for 16.12.2011

Year/Bank-wise details of complaints received in CVC against Bank Officers of the level of Scale -V and above during the year 2007 to 2011(till July, 2011)

S.No.	Name of Banks	2007	2008	2009	2010	2011
1	Allahabad Bank	2	5	3	7	1
2	Andhra Bank	-	2	3	2	1
3	Bank of India	12	5	2	2	4
4	Bank of Maharashtra	1	2	1	1	-
5	Bank Of Baroda	1	7	2	1	1

S.No.	Name of Banks	2007	2008	2009	2010	2011
6	Canara Bank	-	2	4	4	2
7	Central Bank	2	11	5	11	5
8	Corporation Bank	-	2	1	2	1
9	Dena Bank	2	2	5	-	2
10	Indian Bank	-	-	2	1	3
11	Indian Overseas Bank	1	3	2	1	-
12	Oriental Bank of Commerce	3	2	4	4	1
13	Punjab National Bank	5	18	8	20	4
14	Punjab & Sind Bank	7	9	9	7	2
15	State Bank of Indore	2	-	1	2	-
16	State Bank of Bikaner & Jaipur	3	2	-	1	1
17	State Bank of India	6	12	24	19	5
18	State Bank of Hyderabad	1	-	-	-	-
19	State Bank of Mysore	1	-	-	1	-
20	State Bank of Patiala	2	-	-	5	2
21	State Bank of Travancore	-	1	-	-	-
22	Syndicate Bank	13	12	9	1	1
23	UCO Bank	5	1	4	7	3
24	Union Bank	12	14	9	7	5
25	United Bank of India	1	1	3	1	2
26	Vijaya Bank	1	3	-	-	2
	Grand Total	83	116	101	107	48

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LOAN WAIVER SCHEME

New Delhi, Agrahayana 25, 1933
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In order to provide relief to bank borrowers in times of natural calamities, Reserve Bank of India has issued standing guidelines to banks. These are as under:

- a) conversion of the principal amount outstanding in the crop loans and agriculture term loans as well as accrued interest thereon into term loans.
- b) conversion/rescheduling loans and the interest accrued thereon for periods ranging from 3 to 10 years depending upon the frequency of crop failures/intensity of damage to crops;
- c) fresh crop loans for affected farmers;
- d) treatment of converted/rescheduled agri-loans as ‘current dues’;
- e) non-compounding of interest in respect of loans converted/ rescheduled etc;f) relaxed security and margin norms;
- g) provision of consumption loans to agriculturists whose crops have been damaged ; and
- h) moratorium period of at least one year, while restructuring. In the State of Tamil Nadu, under the Agricultural Debt Waiver and Debt Relief Scheme (ADWDRS), 2008, Regional Rural Banks and Cooperative Banks have provided Debt Waiver and Debt Relief to 1.51 lakh farmers account to the extent of Rs. 216.07 Crore.

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INDIRAKRANTHI PATHAM SCHEME

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The Andhra Pradesh Government had suggested to the Union Government an interest subvention scheme for Women Self Help Group (SHG) members on the lines of subvention of crop loans.

The Interest Subvention Scheme of the Government of India (GoI) is applicable only to farmers for availing short term crop loan upto Rs. 3 lakh for a period of one year. The objective of the Scheme is to increase agriculture production.

The GoI, has announced in the Budget 2011-12 to create a ‘Women SHG’sDevelopment Fund’ with a corpus of Rs. 500 crore.

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