(a) whether there is any proposal to cut subsidies on fertilizer and petroleum products;

(b) if so, the details thereof;

(c) whether any study had been conducted on the impact of cutting subsidies;

(d) if not, whether any steps will be taken for the same; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (e) Having regard to the needs of poorer sections, the levels of prices and the subsidy outgo, some specific announcements relating to major budgetary subsidies were indicated in the Budget for 2009-10, which included the intention to move towards a nutrient based fertilizer subsidy regime and the intention of the Government to set up an expert group to advise on a viable and sustainable system of pricing of petroleum products. The above has not yet been operationalised. Based on the study by National Institute of Public Finance and Policy (NIPFP), a report 'Central Government Subsidies in India' outlining some policy issues for rationalization and targeting of subsidies was presented to Parliament on December 23, 2004.

Lending procedure by MFIs

2810. SHRI SITARAM YECHURY: Will the Minister of FINANCE be pleased to state:

(a) whether the lending procedure adopted by Government is leading to the consolidation of Micro Finance Institutes (MFIs);

(b) what is the extent of MFI lending capacities after introduction of the policy;

(c) the details of MFI lending, institution-wise and State-wise; and

(d) whether Government is considering any plans to synchronize the Self-Help Groups (SHGs) and MFIs in order to see that there will be proper flow of institutionalized credit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) Micro Finance Institutions (MFIs) (Trusts, Societies, Co-op. Societies) barring Non Banking Financial Companies (NBFC)-MFIs and not for profit Sec. 25 companies registered under the Companies Act 1956, are governed by respective Acts under which they are formed. Only NBFC- MFIs and not for profit Sec. 25 companies registered under Companies Act 1956 fall under the purview of the Reserve Bank of India (RBI).

As per the existing instructions issued by RBI to banks on micro-finance, the interest rate applicable to loans given by banks to micro-credit organizations, or by the micro-credit organizations to Self Help Groups/member beneficiaries would be left to the discretion of the concerned bank.

National Bank for Agriculture and Rural Development (NABARD) has compiled information on the Agency-wise (Commercial Banks, Regional Rural Banks, Co-op. Banks) bank loans provided to MFIs for the year 2008-09. During the year 2008-09, the banks financed 581 MFIs with bank loans of Rs.3723 crore as against 518 MFIs with Bank loan of Rs.1970 crore during 2007-08, thus achieving a growth rate of 12% (number of MFIs) and 89% (bank loans disbursed to MFIs). As on 31 March 2009, the outstanding bank loans to 1915 MFIs was Rs. 5009 crore as against Rs.2749 crore to 1109 MFIs as on 31 March 2008. Bank-wise details of MFIs financed during the year 2008-09 are furnished in statement (*See* below). NABARD does not compile State-wise information on MFI lending.

Statement

Bank Loans provided to MFIs and their Non Performing assets (NPAs) and Recovery Performance-2008-09

Sl. No.	Name of the Bank	Loans disbursed by Banks to MFIs during year 2008-09		Outstanding Bank Loans against MFIs as on 31 September, 2008	
		No. of MFIs	Amount	No. of MFIs	Amount
1	2	3	4	5	6
Commercial Banks-Public Sector					
1.	Allahabad Bank	2	1149.00	2	1331.83
2.	Bank of India	15	6988.15	41	8420.06
3.	Canara Bank	47	3382.57	167	11543.70
4.	Indian Overseas Bank	37	24445.00	74	35609.00
5.	Punjab and Sind Bank	1	5000.00	10	3055.77
6.	State Bank of India	86	14435.00	148	24948.00
7.	State Bank of Mysore	2	110.00	2	102.34
8.	State Bank of Patiala	1	20.00	1	15.26
9.	State Bank of Travancore	27	525.72	71	882.64
10.	Syndicate Bank	58	138.50	244	1701.91
SUB TOTAL - Public Sector Banks		276	56193.94	760	87610.51
Commercial Banks-Private Sector					
1.	Axis Bank	61	62623.99	79	75822.49
2.	Dhanalakshmi Bank	36	4544.00	158	9533.00
3.	HDFC Bank	55	78671.01	100	94417.25

1	2	3	4	5	6
4.	ICICI Bank	22	82516.70	236	80219.58
5.	ING Vysya Bank	22	24444.00	352	47406.00
6.	Karnataka Bank	4	5178.87	5	11007.83
7.	Kotak Mahindra Bank	2	10534.00	2	10534.00
8.	Nainital Bank Ltd.	0	0.00	1	8.86
9.	South Indian Bank	11	2403.12	11	2019.36
10.	Tamilnad Merchant Bank				
SUB TOTAL - Private Sector Banks		213	270915.69	944	330968.39
Commercial Banks-Foreign Sector					
1.	ABN-AMRO	13	11010.20	23	27067.55
2.	BNP Paribas	8	10200.00	8	10200.00
3.	Citibank NA	NA	423.00	14	11598.60
4.	Yes Bank	12	23150.00	13	30343.71
SUB TOTAL - Foreign Banks		33	44783.20	59	79209.86
TOTAL-ALL Commercial Banks		522	371892.83	1762	497788.76
Regional Rural Banks					
1.	Andhra Pragathi Grameena Bank	0	0.00	6	15.13
2.	Assam Gramin Vikash Bank	2	37.71	4	118.32
3.	Bangiya Gramin Bank, West Bengal	37	15.13	66	23.14
4.	North Malabar GB, Kerala	2	34.50	6	115.96
5.	South Malabar GB, Kerala	13	420.90	61	1375.71
6.	Manipur Rural Bank, Manipur	0	0.00	1	8.35
7.	Pallavan Grama Bank	4	46.70	5	30.19
8.	Pragathi Gramin Bank, Karnataka	1	785.00	3	1071.47
9.	Saptagiri Grameena Bank	0	0.00	1	362.19
SUB TOTAL-RRBs		59	1339.94	153	3120.47

1	2	3	4	5	6
Cooperative Banks					
1.	Assam SCB, Assam	NA	NA	NA	NA
SUB TOTAL-Cooperative Banks		0	0.00	0	0.00
GRAND TOTAL		581	373232.77	1915	500909.23

1. N.A - Not reported/Not Applicable

2. The actual number of MFIs may be less as some of the MFIs could have avoided loans from more than one bank

Status of Micro Finance in India 2008-09

Involvement of Customs Office, Chennai in bribery cases

2811. SHRI S. ANBALAGAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Customs officials in Chennai were involved in multi-crores bribery cases;

(b) if so, the details thereof including the names of the officials involved and their activities; and

(c) the strict action being taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b) and (c) Does not arise.

Fudging of account by telecom operator

2812. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

(a) whether Securities and Exchange Board of India (SEBI) has received complaints against some listed telecom operators for fudging of accounts and under-reporting of revenue to Government;

(b) if so, the details of fudging, misappropriation and under-reporting of revenue by telecom operators;

(c) whether SEBI has investigated the matter;

(d) if so, the outcome of the investigations; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) SEBI has received three complaints in respect of Reliance Communications Limited (RCom), a listed telecom operator, alleging fudging of accounts and under-reporting of revenue to Telecom Regulatory Authority of India (TRAI).