

(d) if so, the details thereof; and

(e) the reaction of the State Governments in this regard alongwith the steps taken in this direction so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) and (b) Price rise is not only because of taxes but depend on various other factors mainly demand and supply. In order to contain prices, semi milled or wholly milled, rice, wheat, pulses, sugar, all crude edible oils, and onion have been fully exempted from basic customs duty. The basic customs duty on refined edible oils has also been reduced to 7.5% *ad valorem*.

An Inter-Ministerial Group (IMG) has been set up under the Chief Economic Adviser, Ministry of Finance to review the overall inflation situation, with particular reference to primary food articles. The IMG will, *inter alia*, review production/ rainfall trends and build an institutional machinery to read warning signals, assess international trends, recommend action on fiscal, monetary, production, marketing, distribution and infrastructure fronts to prevent price spikes, and suggest measures to strengthen collection and analysis of data and forecasting.

(c) This Ministry has not requested the State Governments to provide relaxation in the local taxes.

(d) and (e) In view of reply to part (c) above, questions do not arise.

Shortage of manpower in PSU banks

645. DR. K.V.P. RAMACHANDRA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that public sector banks are suffering from shortage of manpower;

(b) if so, the reasons therefor;

(c) the details of estimated shortage, bank-wise; and

(d) the steps being proposed to be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):

(a) to (d) The banks have been granted managerial autonomy which inter-alia includes framing of

their own HR policies and procedures for recruitment including eligibility criteria, mode of selection, levels of entry etc.

The number of vacancies, bank wise, is being collected and will be laid on the Table of the House.

Non-licensed MFIs operating in the country

646. DR. T. N. SEEMA: Will the Minister of FINANCE be pleased to state:

- (a) the number of Micro Finance Institutions (MFIs) functioning in the country;
- (b) whether Government is aware that many Micro Finance Institutions (MFIs) are working in the country without license; and
- (c) if so, the details thereof and the steps taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) to (c) The Malegam Committee was appointed by the Reserve Bank of India (RBI) in October 2010 to study issues and concerns in the Micro Finance sector in India. The Committee submitted its Report in January, 2011. The Report *inter alia* mentions that the players in the Microfinance sector can be classified into three main groups:

- i) The SHG-Bank linkage Model accounting for about 58% of the outstanding loan portfolio.
- ii) Non-Banking Finance Companies (NBFCs) accounting for about 34% of the outstanding loan portfolio
- iii) Others including trusts, societies, etc. accounting for the balance 8% of the outstanding loan portfolio to microfinance sector.

Of the above, only Non Banking Finance Companies (NBFCs) undertaking microfinance activities are registered with the RBI. Such NBFCs-MFIs are classified as "loan" companies and are regulated in terms of the provisions of the Chapter- III B of RBI Act, 1934 and the Directions issued under it. There are 36 companies that are in micro financing registered as NBFCs with RBI. The names of such NBFCs are given in Statement.