

Operations by foreign audit firms in the country

3606. SHRI A. ELAVARASAN: Will the Minister of FINANCE be pleased to state:

- (a) whether there is any proposal with Government to allow foreign firms such as KPMG, Deloitte, Ernst & Young and Price Waterhouse Corpn. to begin auditing operations in our country;
- (b) whether the existing rules do not allow foreign firms to carry out auditing functions in the country but were allowed to carry out functions such as advisory consulting and research only; and
- (c) if so, the details thereof?

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

(a) There is no proposal under consideration to allow foreign firms to begin auditing operations in our country.

(b) and (c) Foreign firms cannot carry out auditing functions in the country. They can however, operate in areas as consulting and research as consulting company registered under the Companies Act 1956.

Further, Section 226 of the Companies Act, 1956 stipulates the qualifications and disqualifications of auditors, according to which only a Chartered Accountant within the meaning of the Chartered Accountants Act, 1949 or a firm of Chartered Accountants are qualified for appointment as auditors of a company. This Section also prohibits a body corporate from being appointed as auditor of a company.

Release of pension by nationalized banks

3607. SHRI O.T. LEPCHA: Will the Minister of FINANCE be pleased to state:

- (a) whether in spite of the directives the authority of releasing pension rests with the headquarters of the respective nationalized banks on month-to-month basis;
- (b) whether the headquarters do not release the pension for one or the other reason in spite of the recommendations of the branch heads;
- (c) if so, the number of such cases where pension was not released since January, 2011 on month-to-month basis, bank-wise in Delhi/New Delhi;
- (d) whether Government would issue directions to the nationalized banks to release pension by the respective branch heads; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) to (e) Guidelines regarding dealing with pension related matters have been issued by Reserve Bank of India (RBI) vide their circular dated 1.10.2008. These guidelines, inter-alia, stipulate that to streamline pension payment arranged in banks, it would be necessary to establish and operationalise the Central Pension Processing Centers (CPPCs) at an early date. The arrangement for disbursement of pension through the CPPCs would entail following advantages:

A centralized pension cell in a bank would be in a position to; (a) focus exclusively on pension matters; (b) acquire expertise in payment and calculation matters; (c) interact as a single window with the Government Departments; and (d) ensure accuracy and speedy payments every month and thus avoid innumerable complaints from the pensioners.

Further banks have also been advised to formulate following pensioner friendly measures:

- (i) consequent on establishment of the CPPCs, pension payment branch would not have any pension related papers and therefore would not be able to settle pensioners' complaint directly. Banks should evolve a system, so that the pensioners have a regular forum for interaction and settlement of grievances;
- (ii) At locations outside the CPPC there should be designated nodal Officers for pension related complaints who should be easily accessible to the pensioners and who should hold regular meetings at different locations in their jurisdiction on the lines of Pension Adalat;
- (iii) Each bank should establish a toll-free dedicated pension-line manned by trained persons with access to the database to answer queries, note-down and redress complaints, etc.;
- (iv) Bank's internal inspections of its branches should include specific points such as, delays in the start of pension, payments of Dearness Relief, correctness of pension / family pension, etc;
- (v) Nodal Officer/ Inspection Officers should randomly contact the pensioners who visit the branch during inspection and check on the quality of service provided or any problem faced by the pensioners;

- (vi) Regular training sessions for bank personnel dealing with pension matters may be organized in consultation with the concerned Government Department;

Further, the Government advises all Public Sector Banks to attend to the issues concerning pensioners on priority. As and when any grievance of a pensioner is received, the matter is taken up with the concerned bank for expeditious and effective redressal of the same.

Impact of US meltdown on Indian market

3608. MS. SUSHILA TIRIYA: Will the Minister of FINANCE be pleased to state:

- (a) whether it is fact that Indian market is likely to be affected by the U.S. meltdowns;
- (b) if so, the reasons therefor; and
- (c) the steps taken in this regard?

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

(a) Fluctuations in markets are not unusual. Market movements are the outcome of perceptions of the investors about the economy, its various sectors and companies. This perception is influenced by many factors including the macro-economic environment, the growth potential of the economy, performance of companies, corporate governance, policy initiatives of the government, domestic and international events and market sentiments. The uncertainty in the global markets due to recent developments in United States of America (USA) and Eurozone has had some impact on major markets across the globe, including India. However, Indian markets were less affected as compared to some of the major Asian and European markets.

(b) The Indian economy is comparatively less dependent on exports. It is primarily dependent on domestic drivers for its growth. In addition, Indian exports have also seen appreciable growth in 2011-12 and is today more geographically diversified. Indian banking sector is robust and the calibrated approach to capital account convertibility has prevented surge and reversal of debt creating capital flows. The Indian economy also has strong fundamentals.

(c) The Government maintains a close watch on global developments and action is taken when necessary to protect its markets. Government and financial sector regulators are constantly endeavouring to build systems and practices to deepen and broaden the markets.