

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) to (d) No, Sir. However, a resolution notifying the Financial Sector Legislative Reforms Commission (FSLRC) was issued on 24th March, 2011. The FSLRC would examine financial sector laws with a view to rewriting and bringing them in tune with current requirements and submit its report in 24 months *i.e.* by March, 2013. As on 24.11.2011, the Commission has held 8 meetings.

Acquisition of UCBs by PSBs

817. SHRI BHARATSINH PRABHATSINH PARMAR:
SHRI PARSHOTTAM KHODABHAI RUPALA:

Will the Minister of FINANCE be pleased to state:

(a) the number of banking business of weak Urban Co-operative Banks (UCBs) which are under control of RBI as per BR Act 35A acquired by Public Sector Banks (PSBs) within last three years;

(b) whether Government encourage the PSBs to acquire banking business of Gujarat Industrial Co-operative Bank Ltd. a multi- State co-operative bank as this bank is under control of RBI and hard earned money of common people has been blocked since very long-time; and

(c) whether RBI would extend all possible co-operations to Udhna Citizen Bank Ltd. for merging with other strong co-operative bank?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA):
(a) to (c) Specific assets and liabilities of two weak Urban Co-operative Banks (UCBs), which were under directions under Section 35A of Banking Regulation Act 1949 (As Applicable to Co-operative Societies) were taken over by Public Sector Banks within last three years.

Reserve Bank of India has issued guidelines on February 24, 2010 for transfer of assets and liabilities of Urban Co-operative Banks to commercial banks (including Public Sector Banks).

RBI has issued guidelines on merger/amalgamation of UCBs on February 02, 2005, and January 30, 2009 for merger of UCB with strong UCB.

Lower GDP growth

818. SHRI R.C. SINGH:
SHRI D. RAJA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the country is going to register a lower GDP growth this fiscal in comparison to last fiscal;

- (b) if so, the details thereof with a sector-wise list;
- (c) whether Government has conducted any survey to ascertain the causes of this slow down;
- (d) if so, the details thereof; and
- (e) the details of measures taken by Government to halt the slow down?

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

(a) The official estimates regarding the growth rate of GDP for the year 2011-12 will be available on February 7, 2012. However, growth rate of GDP at factor cost for the first quarter of 2011-12 was placed at 7.7 per cent as against a level of 8.8 per cent in the first quarter of 2010-11.

- (b) Does not arise.
- (c) No such specific survey has been conducted by the Government.
- (d) Does not arise.
- (e) The Government has pursued prudent macroeconomic policies on an ongoing basis with a countercyclical focus in recent years to obviate the impact of global financial crisis, strengthened structural measures to promote growth, develop product as well as financial markets, and increased social spending to provide a stronger foundation to protect the poor. Specific measures taken in the recent period to boost growth include, among others, enhancing investment in the Infrastructure sector through creation of Infrastructure Debt Fund, focusing on Public Private Partnerships, announcement of New Manufacturing Policy, announcement of new Draft Telecom Policy, introduction of Land Acquisition Bill in the Parliament, and a number of legislative measures to develop banking sector in India.

Downgrade of Indian Banks by Moody's Investors Services

819. SHRI JAI PRAKASH NARAYAN SINGH :
SHRI K.N. BALAGOPAL :

Will the Minister of FINANCE be pleased to state:

- (a) whether Government is aware that global rating firm Moody's Investors Services have downgraded its outlook for Indian Banks to 'negative' from stable;
- (b) if so, the reaction of Government thereto;
- (c) whether such rating by global and Indian rating firms have direct impact on small investors when price of banking shares falls; and
- (d) if so, what steps Government is considering in this regard for safeguarding small investors and Indian Banking System?