

In particular, these measures include Government's endeavour to restrict the expenditure on central subsidies to under 2% of GDP in 2012-13 and to further bring it down to 1.75% of GDP in the next three years. In addition, Government has made a determined attempt to come back to the path of fiscal consolidation by reducing the budgeted fiscal deficit to 5.1% of GDP in BE 2012-13 from 5.9% of GDP in RE 2011-12.

Proposal to close-down loss making branches of banks

4247. SHRI D. RAJA :

SHRI M.P. ACHUTHAN :

Will the Minister of FINANCE be pleased to state:

- (a) whether Government is considering a proposal to close-down the loss-making branches of public sector banks;
- (b) if so, whether Government has made any study of such banks including the reasons for making losses etc.; and
- (c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (c) The Public Sector Banks (PSBs) are governed by their Board driven policies. Expansion or closure of branches of banks is decided by their Board in accordance with the guidelines laid down by the regulator. Recently, the Government has advised Public Sector Banks to firm up strategy for turn-around of their loss-making branches.

Impact of rising interest rate on MSMEs sectors

4248. SHRI PIYUSH GOYAL : Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that interest rates have been rising the country;
- (b) if so, the reasons therefor;
- (c) whether Government has conducted any assessment of the impact of rising interest rates on Micro, Small and Medium Enterprises (MSMEs);
- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) The Reserve Bank of India (RBI) had raised the repo rate by 375 basis points between mid March 2010 and October 2011 as part of the