

**Payments of compensation to the States for loss of
Central Sales Tax (CST) revenue**

670. SHRI NATUJI HALAJI THAKOR: Will the Minister of FINANCE be pleased to state:

(a) whether Union Government is likely to pay compensation to the States for loss of Central Sales Tax (CST) revenue for the year 2010-11;

(b) if so, whether it will follow the guidelines issued on 22.08.2008 for payment of CST; and

(c) if not, whether it will raise the CST level back to 4 per cent from the present level of 2 per cent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Compensation for the loss of Central Sales Tax (CST) revenue for the year 2010-11 has already been paid to the States.

(c) There is at present no proposal to raise the CST rate to 4 per cent.

Installation of private party ATMs

671: SHRI TARIQ ANWAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is planning to install Private Party ATMs in the country;

(b) if so, the details thereof; and

(c) the nodal authority for the redressal of grievances of customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO RARAIN MEENA): (a) to (c) Reserve Bank of India (RBI) has decided to permit non-bank entities to set up, own and operate ATMs. The draft guidelines on deployment of White Label ATMs were placed on RBI website for public comments till March 6, 2012. According to the draft guidelines, while the primary responsibility to redress grievances of customers relating to failed ATM transactions would vest with the issuing bank, the sponsor bank will provide necessary support in this regard, including making available necessary records and information to the issuing bank. For this purpose, the sponsor bank should have necessary arrangements with the White Label ATM operator.

Retarding industrial sector growth

†672. SHRI KAPTAN SINGH SOLANKI: Will the Minister of FINANCE be pleased to state

(a) whether it is a fact that pace of Indian Industrial sector has slowed down owing to the increasing interest rates in the country and global economic crisis;

†Original notice of the question was received in Hindi.

- (b) if so, the details thereof;
- (c) whether Government has formulated any plan to contain this slow down; and
- (d) if so, the details, thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) Yes, Sir.

(b) Overall growth of industries measured in terms of Index of Industrial Production during April-January, 2011-12 was 4.0 percent compared to a growth of 8.3 per cent in the corresponding period of previous year. Sectoral growth of Industries was as under:

Sectors	April-January	
	2010-11	2011-12
Mining	6.3	-2.6
Manufacturing	8.9	4.4
Electricity	5.3	8.8
Overall IIP	8.3	4.0
As per use based classification of Industries		
Basic Goods	6.0	5.7
Capital Goods	17.0	-2.8
Intermediates	8.0	-1.0
Consumer Goods	7.5	7.4
Consumer Durables	13.7	3.9
Consumer Non Durables	2.8	10.2

The slowdown in industrial growth can be attributed to number of factors including global economic crisis and high interest rates.

(c) and (d) Government has already announced a National Manufacturing Policy to bring about a qualitative and quantitative change and to enhance global competitiveness in manufacturing sector and to accelerate growth of this sector. The Reserve Bank of India, in a process of easing monetary policy, has also reduced the Cash Reserve Ratio (CRR) from 6 percent to 4.75 percent to inject additional liquidity in the economy.

Impact of cancellation of telecom licences on banks

†673. SHRI RAM JETHMALANI: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that there is an apprehension of financial pressure on

†Original notice of the question was received in Hindi.