

**Control of private travel agents**

184. SHRIMATI RENUKA CHOWDHURY: Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether Government has any control on Private Travel Agents who offer foreign tours;

(b) if so, the details thereof;

(c) if not, whether Government has any proposal to make any fresh guidelines to be issued to Private Travel Agents in view of the recent happenings in Egypt and Mongolia; and

(d) the measures taken/being taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRIMATI PRENEET KAUR): (a) to (d) The information is being sought and a reply to the question shall be tabled in the House after obtaining information from the concerned Ministries.

**Declining foreign exchange reserves**

185. DR. JANARDHAN WAGHMARE: Will the Minister of FINANCE be pleased to state:

(a) whether the country's foreign exchange reserves have gone down considerably in the past few months;

(b) if so, the factors responsible for steep fall in foreign exchange reserves;

(c) whether Government has since made any efforts to maintain its foreign exchange reserves; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) The country's foreign exchange reserves have declined to US\$ 288.8 billion at end July 2012 from US\$ 292.8 billion at end January 2012.

(b) The change in foreign currency assets occurs mainly on account of buying and selling of foreign exchange by the Reserve Bank of India (RBI) in the foreign exchange market in India. Besides, income arising out of the deployment of foreign exchange reserves, external aid receipt of the Central Government, movements of the US dollar against other currencies in which foreign currency

assets is held also impact the level of reserves. The decline in foreign exchange reserves between January-July 2012 was mainly due to sale of foreign currency assets by the RBI.

(c) and (d) Though the foreign exchange reserve declined to US\$ 288.8 at end July, 2012, the reserves are at adequate level in terms of import coverage.

**NBFCs involvement in gold loan business**

186. DR. JARNARDHAN WAGHMARE: Will the Minister of FINANCE be pleased to state:

(a) whether the RBI asked Non-Banking Financial Companies (NBFCs) involved in gold loan business to revise their Fair Practices Code (FPC) norms:

(b) if so, the details in this regard;

(c) whether these fair practices would also include service conditions of the staff of these NBFCs to stop their exploitation through retention of original educational certificates; and

(d) if so, the steps taken by Government to save young employees from financial and mental exploitations in these NBFCs through such tactics?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) Reserve Bank of India (RBI), *vide* its circular dated 28.09.2006, issued guidelines to all Non-Banking Financial Companies (NBFCs) on Fair Practices Code (FPC) to be adopted by them while doing lending business, which, *inter-alia*, covered general principles on adequate disclosures on the terms and conditions of a loan and also adopting a non-coercive recovery mechanism. In view of the creation of a new category of NBFCs *viz.* NBFC-MFIs and also rapid growth in NBFCs lending against gold jewellery, RBI has issued revised guidelines, whereby, the NBFCs are required to put-in place a modified FPC with the approval of their Boards. NBFCs are also required to publish and disseminate the FPC, besides hosting the same on the web-site of the company, if any, for the information of the public. The NBFCs lending against collateral of gold jewellery have been advised to adopt a Board-approved policy, which should also cover the following-

- (i) Proper assaying procedure for the jewellery received;
- (ii) Internal system to satisfy ownership of the gold jewellery;
- (iii) Adequate systems for storing the jewellery in safe custody;
- (iv) Insurance of the jewellery;
- (v) Board-approved policy laying down a transparent procedure for auction of the jewellery in case of non-repayment; etc.