

of banks which, in turn, arrange to issue these coins from their counters and the counters of other branches linked to others.

Further, bulk users *viz.*, Retailers, Trade Bodies/Associations, chamber of Commerce, etc., after ascertaining their credentials, are provided coins either from RBI or from a bank branch.

Any complaint received by Reserve Bank from public regarding shortage/black marketing/hoarding of coins is forwarded to concerned Regional office with advice to examine the matter on merits and take appropriate follow up action. The Regional Offices are also advised to take up the matter with the authorities concerned to initiate necessary action in cases involving black marketing/hoarding of coins.

Further it has been decided to channelize the distribution of bank notes and coins only through currency chests/bank branches, thus making available the related services closer to the customers. Banks are expected to strengthen their distribution systems and procedures so as to cater to the growing needs of the common man.

(c) The review of policy for production of Currency Coins is a dynamic and continuous process which is carried out in accordance with extant guidelines.

(d) No, Sir.

#### **Decline in GDP growth rate**

689. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that decline in GDP growth rate has severely affected the Indian Economy;

(b) whether Confederation of Indian Industry (CII) while expressing its concern over the decline of GDP suggested views for revival of economy;

(c) if so, the details thereof; and

(d) the remedial measures being adopted by the Government to increase the growth in GDP?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) As per the revised estimates of annual national income, 2011-12 released by the Central Statistics Office (CSO), the growth rate of India's Gross Domestic Product (GDP) at factor cost at constant (2004-05) prices for the year 2011-12 is 6.5 per cent. India's growth rate was 5.3 per cent in the fourth quarter of the financial year 2011-12.

(b) and (c) CII has released a document in June, 2012 titled 'Agenda for Economic Revival' where a number of recommendations were made for economic revival including

fiscal consolidation, monetary easing, increase in FDI, streamlining land acquisition and other sector specific reforms. About manufacturing the report recommends fast track implementation of National Manufacturing Policy, faster clearance of industrial projects, etc.

(d) The action plan of the Government to revive the economy, *inter-alia*, includes better access to finance for manufacturing sector, fast tracking of large investment projects in the areas of power, petroleum and gas, roads, coal, etc., use of buffer stocks to moderate food inflation, strengthening of financial and banking sector, reducing the volatility of exchange rate, etc. Certain specific measures taken by the Government to achieve the growth target, *inter-alia*, include enhancing the level of investment for agriculture sector including irrigation projects, promoting Micro Small and Medium Enterprises (MSME) sector by way of higher allocation of funds, enhancing investment in the infrastructure sector focusing on Public Private Partnerships, a number of legislative measures to develop the financial sector and introduction of a new National Manufacturing Policy, etc. The fiscal policy as enunciated in the Budget 2012-13 aims at reducing the fiscal deficit from 5.8 per cent in 2011-12 to 5.1 per cent in 2012-13, by restricting the expenditure on subsidies to under 2 per cent of GDP. This would be facilitated by the move towards nutrient based subsidy in fertilizers and the use of unique identity based 'Aadhaar' system for rationalizing subsidies. Steps have been taken to expedite the passage of Direct Tax Code Bill and evolving a consensus among stake holders in implementation of goods and services tax.

#### **Guidelines of loan pre-payment**

690. DR. PRADEEP KUMAR BALMUCHU:  
SHRIMATI RENUKA CHOWDHURY:

Will the Minister of FINANCE be pleased to state:

(a) whether Government has revised the guidelines in respect of loan pre-payment and directed the banks to stop the collection of pre-payment/penalty charges on loan foreclosure;

(b) if so, the details thereof; and

(c) the details of the implementation of these guidelines?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) Reserve Bank of India (RBI) has, informed that *vide* its circular dated 05.06.2012, all Scheduled Commercial Banks were advised not to charge foreclosure charges/pre-payment penalties on home loans. The aforementioned circular is available at RBI website [www.rbi.org.in](http://www.rbi.org.in).