

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.

(b) to (e) RBI has reported that it has not received complaints against Non-Banking Finance Companies (NBFCs) registered with RBI, retaining original certificates of young employees even after their quitting the jobs. However, a complaint was received from a retired nationalized bank employee alleging that *Muthoot Finance Limited* retained his matriculation certificate, which the company had procured from him at the time of appointment. Although, the issue is internal to the company and RBI does not intervene in the internal staff matters. However, the complaint has been forwarded to the company for its redressal.

#### **Domestic policy and standard and poor's downgrade**

1299. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that funding the current account deficit is becoming a challenge as global financial market turbulence continues;

(b) whether it is also a fact that due to flip-flops in domestic policy and the Standard and Poor's (S&P) down grade has further compounded the funding; and

(c) if so, the corrective steps that Government is taking to rein in current account deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The current account deficit (CAD) in India have generally been financed by the surplus under capital account. However, due to euro zone crisis, portfolio capital flows have decelerated, leading to supply-demand imbalance in the domestic foreign exchange market that has been largely responsible for decline in the exchange rate value of the rupee. Standard and Poor's (S&P) did not downgrade India's sovereign rating. It affirmed India's BBB (-) long

term and A-3 short term sovereign ratings. However, it revised the outlook on the India's sovereign rating from stable to negative on April 25, 2012.

(c) The recent increase in CAD in 2011-12 has been due to widening of trade deficit on account of high imports of oil and gold & silver. To lower the impact of gold imports on CAD, Government in the Union Budget 2012-13 has increased basic custom duty on standard gold bars; gold coins of purity exceeding 99.5 per cent and platinum from 2 per cent to 4 per cent and on non-standard gold from 5 per cent to 10 per cent.

Besides, under the Annual Supplement 2012-13 to Foreign Trade Policy 2009-14, the Government has announced initiatives to boost exports to about US\$ 360 billion in 2012-13. These measures include (i) extension of Interest Subvention up to March, 2013, (ii) extension of export promotion capital goods (EPCG) Scheme up to 31st March, 2013, (iii) extension of Focus Market Scheme (FMS) and Special FMS Scheme and (iv) increased coverage under Focus Product Scheme.

#### **SHGs financed by public sector banks**

1300. SHRI RAJEEV CHANDRA SEKHAR: Will the Minister of FINANCE be pleased to state:

(a) the total number of women Self Help Groups (SHGs) financed by Public Sector Banks in Karnataka, bank-wise and district-wise;

(b) in what manner these SHGs are functioning in the State and what is their NPA percentage; and

(c) the other measures that Government and the Public Sector Banks propose to take to further promote the women SHGs in the State?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (c) The functioning of SHGs in Karnataka are according to the extant guidelines of RBI/NABARD. The Bank-wise details of the Women SHGs in Karnataka State in respect of Public Sector Banks are given in the Statement (*See below*).

In Karnataka State, the total loan outstanding as on 31 March, 2011 against all SHGs linked with Public Sector Banks is amounting to Rs. 1,26,588.11 lakh, of which the amount of NPA is Rs. 3,494.88 lakh, which is 2.76% of the total outstanding.