

revision was on February 18, 2013. The objective of the Guidelines on Fair Practices Code is to ensure transparency in operations including adoption of interest rate models of NBFCs and also guidelines on corporate governance.

Further, RBI has a Grievance Redress mechanism for Depositors of NBFCs in place. In terms of Section 45QA of the RBI Act, 1934 every deposit accepted by an NBFC, unless renewed, has to be repaid in accordance with the terms and conditions of such deposit.

If an NBFC registered with RBI fails to return depositor's money, the depositor can register complaint against the NBFC to the nearest Regional Office of RBI. Violations with regard to deposit acceptance by NBFCs registered with RBI / required to be registered with RBI are addressed through penal provisions in RBI Act, 1934 issuing prohibitory orders, cancellation of Certificate of Registration (CoR), winding up proceedings and in case of vanishing companies, advising the State Police or the Economic Offense Wing (EOW) of the concerned State. Depositors can also approach the civil court or Consumer Disputes Redressal Forums for recovery of their money. Affected persons can complain to the State Police authorities / EOW of the State Police as well.

(c) The Banking Ombudsman Scheme has specified 27 grounds of complaints under which complaints can be lodged with the Banking Ombudsman on grievances related to deficiency in banking services provided by commercial banks, Regional Rural Banks and scheduled primary co-operative banks. In so far as NBFCs are concerned, no cases of depositor cheating by the entities regulated by RBI have come to the notice of RBI during the last four years.

Compensation to Odisha for CST loss

989. SHRI A.V. SWAMY: Will the Minister of FINANCE be pleased to state:

(a) the steps to fully compensate the Odisha for the Central Sales Tax (CST) loss and release the outstanding amount of ₹ 3420.00 crore towards compensation on account of CST loss;

(b) will the Ministry permit to restore the CST rate to 4 per cent till the implementation of Goods and Service Tax (GST); and

(c) if so, indicate how soon the amount of ₹ 3420.00 crore will be released?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) to (c) Central Government has decided to pay 100% CST compensation for the year 2010-11, 75% CST compensation for 2011-12 and 50% CST compensation for 2012-13, to all the States/UTs including State of Odisha on account of loss due to reduction of

CST rate from 4% to 2%. Accordingly, a total amount of ₹ 579.68 crore has been paid towards CST compensation to the State of Odisha for year 2010-11. Balance CST compensation of Odisha along with other States/UT's for 2011-12, 2012-13 is proposed to be released in FY 2015-16 and 2016-17 respectively.

Investment by LIC into Railways

990. SHRI BALWINDER SINGH BHUNDER: Will the Minister of FINANCE be pleased to state:

- (a) whether the Life Insurance Corporation of India (LIC) is investing over ₹1.5 lakh crore into the Indian Railways;
- (b) if so, the details thereof; and
- (c) the details of the term and condition of investing such a large sum in Railways and what will be the gain to LIC in this venture?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) to (c) Life Insurance Corporation of India (LIC) has informed that LIC has entered into an MoU with Ministry of Railways on 11.03.2015 to arrive at a broad understanding for funding transaction on the basis of ongoing and new projects of Ministry of Railways and availability of investible surplus with LIC of India. As per MoU, LIC shall make available to Ministry of Railways/its entities, a non-renewable financial assistance with limit of ₹ 1,50,000 Crore and Ministry of Railways shall borrow, subject to its requirements, within this limit over a period of 5 years. Ministry of Railways would get the financial assistance through the issue of bonds. This would be a binding agreement between LIC of India and Ministry of Railways for a period of 5 years, starting from 01.04.2015. LIC's investible funds are being gainfully invested in long term infra bonds of Railways.

Exposure limit of PSBS to business houses

991. SHRIMATI WANSUK SYIEM: Will the Minister of FINANCE be pleased to state:

- (a) whether the Non-Performing Assets (NPAs) of the Public Sector Banks (PSBs) are on the rise with gross NPAs of these banks marked at ₹ 2,60,531 crores as on December 2014, up from ₹ 71,080 crores in 2011;
- (b) whether currently the banks in India are placed comfortably on large loan exposures *vis-a-vis* limits prescribed under the Large Exposure Framework of the Basel Committee on Banking Supervision;