

Issues raised by Shyamala Gopinath committee on KVP

515. SHRI AHMED PATEL : Will the Minister of FINANCE be pleased to state:

- (a) whether Government has begun selling the Kisan Vikas Patra (KVP);
- (b) if so, the details thereof, including the proposed objectives and the outcomes of the scheme so far;
- (c) the recommendations of the Shyamala Gopinath Committee with regard to banning the sale of KVP;
- (d) whether the issues raised in the report of the said committee have been addressed; and
- (e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA) : (a) and (b) Yes, Sir. Kisan Vikas Patra (KVP), a very popular instrument among small savers, has been re-introduced. The KVP can be sold from Post Offices and Banks and at present, they double the invested amount in 100 months. KVP has facility of premature encashment to provide liquidity to the subscriber.

So far the amount collected under KVP is more than ₹ 1090 Crore.

(c) Shyamala Gopinath Committee had recommended discontinuance of KVP on grounds of it being expensive and its bearer-like certificate nature.

(d) and (e) Yes Sir. Interest on KVP is now linked to government security of comparable maturity with a small spread. Further, Post Offices and Banks have to undergo Know Your Customer verification before sale or transfer of KVP.

Foreign debt of India

†516. SHRI NARESH AGRAWAL : Will the Minister of FINANCE be pleased to state:

- (a) whether the foreign debt of India has increased as compared to the past;
- (b) if so, the quantum thereof and the interest that Government has to pay every year on that debt; and
- (c) whether Government is taking any steps to reduce the burden of foreign debt?

†Original notice of the question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA) : (a) Yes, sir. The quantum of external assistance of Government of India has increased in the range of 4-5 per cent every year over the previous year in absolute terms, however, the external assistance has been reduced by 0.1 per cent every year over the preceding year when compared as percentage of GDP.

(b) The quantum of outstanding external assistance at the end of the financial year and interest paid thereon in the last 5 years is shown below:

Year	Outstanding Balance at the year end (₹ crore) at book value	Percentage increase over previous year	Per cent of GDP	Per cent of Public Debt	Interest paid (₹ crore)	Percentage of total interest paid in the year
2011-12	170088	7.8	1.9	5.0	3501	1.3
2012-13	177289	4.2	1.8	4.5	4019	1.3
2013-14	184581	4.1	1.6	4.2	3880	1.0
2014-15 (RE)	194286	5.3	1.5	3.9	3838	0.9
2015-16 (BE)	203460	4.7	1.4	3.7	3762	0.8

(c) India's external debt has remained within manageable limits. The prudent external debt management policy of the Government of India has helped in containing rise in external debt and maintaining a comfortable external debt position. The policy continues to focus on monitoring long and short term debt, raising sovereign loans on concessional terms with longer maturities, regulating external commercial borrowings through end use, all-in-cost and maturity restrictions; and rationalizing interest rates on Non-Resident Indian deposits.

Basel III norms for banks in India

517. DR. CHANDAN MITRA : Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India (RBI) proposes to implement Basel III norms for banks in India;

(b) if so, the details thereof; and