(b) if so, the reasons therefor; and

(c) whether uniformity in rules will be introduced permitting multiple nominees with pre-determined percentages?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) to (c) Nomination for bank deposit accounts (including fixed deposits) is provided for under rules made by the Reserve Bank of India (RBI), nomination for mutual funds is provided for under regulation made by the Securities and Exchange Board of India (SEBI), and nomination for Public Provident Fund (PPF) is provided for under the rule made by the Ministry of Finance.

In respect of nominations in deposit accounts in banks (including fixed deposits), RBI has informed that Section 45ZA of the Banking Regulation Act, 1949 read with the Banking Companies (Nomination) Rules, 1985, provides for nomination of one person to whom in the event of the death of the depositors, the amount of deposit may be returned by the banking company.

In respect of nominations in mutual fund accounts, the SEBI has informed that Regulation 29A (1) and (2) of the Mutual Fund Regulations require asset management companies to provide an option to the unit holder to nominate a person in whom the units held by the investor shall vest in the event of his death, and where the units are held by more than one person jointly, the joint unit holders may together nominate a person in whom all the rights in the units shall vest in the event of death of all the joint unit holders. These Regulations do not specify the number of nominees that can be permitted in mutual funds. However, as per prevalent industry practice, the maximum number of nominees is limited to three. There is no proposal under consideration with SEBI on this matter at present.

In respect of PPF, under the PPF Scheme, 1968, a subscriber to the fund may nominate one or more persons to receive the amount standing to his credit in the event of his death before the amount has become payable. There is no proposal to reduce this number at present.

Improving financial stability of Banking System

361. SHRI ANAND SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether government attention has been drawn toward India high Debt-GDP ratio;

(b) whether the recapitalisation plan of government will push the BBB ratings of Indian banks; and

(c) if so, the steps Government is planning to undertake to improve the financial stability of the banking system?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RADHAKRISHNAN P.): (a) The Government actively monitors trend in its debt to GDP ratio and is committed to bring down its debt to GDP ratio in gradual manner by adhering to fiscal discipline as enumerated in Fiscal Responsibility and Budget Management (FRBM) Act. The Central government Debt-GDP ratio has reduced from about 61.4 per cent in 2002-03 to about 44.7 per cent in 2017-18 (BE). Continuing the declining trend, as per Medium Term Fiscal Policy (MTFP) statement 2017-18 rolling target under FRBM Act 2003, Debt-GDP ratio of Central Government is projected to reduce further to 42.8 per cent in 2018-19 and 40.9 per cent in 2019-20. Gross Fiscal Deficit-GDP ratio of Central Government has also declined from 5.7 per cent in 2002-03 to 3.5 per cent in 2016-17 and is budgeted to decline to 3.2 per cent in 2017-18. The broad declining trend in General government debt-GDP ratio is also intact.

(b) It is difficult to assess the position at this stage.

(c) As part of the Indradhanush Plan Government had announced infusion of Rs 70,000 crore out of budgetary allocations for infusing capital in Public Sector Banks (PSB) in four financial years. Government has so far infused capital of ₹ 51,858 crore in PSBs. Capital infusion has enabled PSBs to remain compliant with Basel HI capital adequacy norms, across financial years, despite high NPA and consequential provisioning requirement. Further, keeping in view requirement of PSBs, Government has recently announced decision on recapitalize PSBs to the tune of ₹ 2,11,000 crore, through recapitalization bonds of ₹ 1,35,000 crore and budgetary provision of ₹ 18,139 crore (under Indradhanush plan) over two financial years and the balance through capital raising by banks from the market.

Write off of 90 days plus delinquent loans by MFIs

362. SHRI ANAND SHARMA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is planning to write off 90 days plus delinquent Micro Finance Institutions loans;

(b) if so, the reasons therefor; and

(c) the likely impact on micro finance companies and their lending capabilities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) No Sir.

(b) and (c) Does not arise in view of (a) above.