

Capital requirement for selling medical insurance

3710. SHRI GHULAM NABI AZAD:

DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) whether the Ministry of Finance is examining to reduce the minimum Rs. 100 crore capital requirement for parties keen on selling medical insurance;

(b) if so, whether a task force which was constituted to increase the coverage of health insurance in the country is expected to decide soon on the issue;

(c) whether this task force has submitted its recommendations;

(d) if so, the details thereof; and

(e) by when they are likely to be considered?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Insurance Regulatory and Development Authority has reported that there is no proposal to reduce the minimum capital requirement of Rs. 100 crores for insurance companies selling medical insurance products.

(b) to (e) A sub-group on 'Health Insurance — Issues and Challenges' has been constituted by the Working Group on Health Economics for tenth Plan, with a view to examine the current experiences of Health Insurance in India, impact of insurance on efficiency and equity in health care delivery and financing as well as the need for regulation of private health insurance in the context of liberalisation. However, no task force has been constituted to suggest increase in coverage of health insurance in the country.

Moderate growth of economy

3711. DR. T. SUBBARAMI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it has been reported that the economy witnesses a moderate growth, consumer durables, cellular services, housing, finance and software power have shown recovery;

- (b) if so, whether any survey in this regard was conducted recently;
- (c) if so, the sectors which have shown a moderate growth;
- (d) whether 30 sectors recorded negative growth in the April-March, 2001-2002 period; and
- (e) if so, the steps being taken to improve the economic growth in the country further?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) The ASCON Industry review made by the Confederation of Indian Industry (CII) for the period April-March 2001-02 over April-March 2000-01 reports the following production trends in manufacturing.

Of the 116 items, 6 items [LLDP, Power transformer, Motor cycles, VCR/VCP/VCD/DVD, Hardware (Domestic) and Personal Computer] showed excellent growth of more than 20 per cent, 15 items (Paints, Ceramics, Colour Picture Tube, Electronic Component, Carbon Dioxide, Capacitors, Energy Meters, Transformer, Vehicle Industry, Air Conditioners, Clocks, Watches, Glass Container and Ware, Drugs & Pharma and Personal Healthcare) showed a growth between 10 per cent and 20 per cent, 65 items have showed a growth between 0 and 10 per cent and 30 items showed a negative growth.

The ASCON Services Review also made by CII indicates that out of 12 services sectors, three groups, *viz.* cellular services, housing finance and Software (domestic) had a growth of more than 20 per cent during 2001-02.

(e) The Central Government budget 2002-03 has announced a number of steps to stimulate industrial production. These include—Reduction in most administered interest rates by 50 basis points, Dismantling of APM in the petroleum sector from 1st April, 2002, Dereservation of over fifty items of knitwear, certain agricultural implements, auto components and some drugs and pharmaceuticals from the SSI sector, an increase in the limit for composite loans for collateral from Rs. 25,000 to Rs. 5 lakhs on the SSI units, abolition of 16 per cent special excise duty on a number of

items and reduction in the Peak duty of customs from 35 per cent to 30 per cent.

Decline in credit deposit ratio of RRBs

3712. DR. C. NARAYANA REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in the name of profitability the credit-deposit ratio of RRBs is coming down and they are moving away from the objectives of RRB Act;

(b) if so, the total amount of investment made by RRBs outside their service area;

(c) whether Government propose to utilize these funds for rural infrastructure finance on the lines of NABARD, HUDCO, World Bank etc.; and

(d) the steps proposed to be taken by Government in this direction to arrest reverse flow of funds from rural areas to urban areas?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Regional Rural Banks (RRBs) are trying their best to achieve their objective of serving the rural poor and meeting the genuine credit needs of the borrowers in their area of operation. However, high incremental growth in deposits, law and order problem in few States and the poor recovery climate have affected credit dispensation capacity of RRBs. This has led to low credit deposit ratio in RRBs.

(b) The RRBs are required to invest funds in Government and other approved securities to fulfil the Statutory Liquidity Ratio (SLR) obligation. RRBs are also permitted by Reserve Bank of India (RBI) to invest non-SLR funds at par with Commercial Banks subject to the observance of exposure limits. The total amount of investment of SLR and Non-SLR funds of RRBs is Rs. 25402.24 crore.

(c) At present there is no such proposal.

(d) Various new schemes like Kisan Credit Cards, Self Help