

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**INCREASE IN INTEREST RATES**

New Delhi, Agrahayana 11, 1933  
December 02, 2011

As per the Index of Industrial Production (IIP) released by the CSO, the industrial growth has moderated to 5.0 percent in 2011-12 (April-September) as compared to 8.8 percent in corresponding period of the previous year. The moderation in the industrial production can be partly attributed to increase in the interest rate.

The Reserve Bank of India (RBI) has been increasing policy rate as a part of monetary policy stance since March 2010 to contain inflation and inflationary expectations. In the forward guidance of the Second Quarter Review of Monetary Policy 2011-12, RBI has reported that notwithstanding current rates of inflation persisting till November, the likelihood of a rate action in the December mid-quarter review is relatively low. Beyond that, if the inflation trajectory conforms to projections, further rate hikes may not be warranted.

This information was given by the Minister of State for Finance, Shri Namo Narain Meena in written reply to an Unstarred Question in Lok Sabha today.

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**SCHEMES OF NABARD FOR RURAL POOR**

New Delhi, Agrahayana 11, 1933  
December 02, 2011

National Bank for Agriculture and Rural Development (NABARD) has reported that in the Self Help Group (SHG)-Bank Linkage Programmes for Rural Poor household, the saving portion of the groups can be utilized by the rural poor to meet requirements during old age.

Government of India (GoI) has identified the interim Pension Fund Regulatory and Development Authority (PFRDA) as the implementing agency for New Pension System (NPS). To encourage the people from the unorganized sector to voluntarily save for their retirement, Government of India had launched the Co-contributory Pension Scheme called “Swavalamban” during 2010-11, whereby the Government of India would contribute a sum of Rs.1,000 in each NPS account opened with a minimum contribution of Rs.1,000 and maximum contribution of Rs.12,000 per annum. The Scheme is managed by PFRDA. NABARD has decided to support PFRDA through a grant assistance of Rs.50 crore towards promotional and developmental activities for enrolment and contribution collection under Swavalamban Scheme.

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**INSURANCE FOR SENIOR CITIZENS**

New Delhi, Agrahayana 11, 1933  
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The Insurance Regulatory and Development Authority (IRDA), the regulator in the insurance sector had constituted a Senior Citizens Committee in 2007. Based on the recommendations of the Committee, the IRDA had instructed insurers in April, 2007 to allow entry in health insurance policy at least till 65 years of age. In August 2008, IRDA mandated establishment of a separate channel to address health insurance related grievances of senior citizens. Further, vide instructions issued in March, 2009, IRDA instructed that apart from the entry age of 65 years, the denial of health insurance to senior citizens on any grounds should be in writing with reasons furnished and recorded and the premium charged to senior citizens should be fair, justified and transparent and duly disclosed upfront. As the most recent initiative, IRDA, while approving health insurance products, advises all general insurers to ensure that there is no exit age in the policy which ensures that no one is denied health insurance merely on grounds of age.

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**BRANCHES OF INSURANCE COMPANIES**

New Delhi, Agrahayana 11, 1933

December 02, 2011

The state-wise number of branches of Life Insurance Corporation of India (LIC) and Public Sector General Insurance Companies is at **Annex**.

At present there are 138 regular branch offices and 93 satellite offices of LIC and 238 Branch Offices of Public Sector General Insurance Companies located in West Bengal. These are found to be adequate in giving services to the policyholders in the State.

**ANNEX**

STATE-WISE BRANCH OFFICES OF LIC AND GENERAL INSURANCE COMPANIES			
Sl. No.	Name of State/ Union Territories	No. of LIC's Office	No. of offices of Public Sector General Insurance Companies
1	Andaman and Nicobar Islands	1	2
2	Andhra Pradesh	176	383
3	Arunachal Pradesh	2	5
4	Assam	49	134
5	Bihar	60	127
6	Chandigarh	6	38
7	Chattisgarh	26	56
8	Dadra & Nagar Haveli	0	2
9	Daman & Diu	0	2
10	Delhi	61	215
11	Goa	11	25
12	Gujarat	142	280
13	Haryana	40	145
14	Himachal Pradesh	23	51
15	Jammu & Kashmir	17	56
16	Jharkhand	41	87
17	Karnataka	138	307

18	Kerala	85	263
19	Lakshwadweep	0	0
20	Madhya Pradesh	114	191
21	Maharashtra	250	502
22	Manipur	4	4
23	Meghalaya	3	13
24	Mizoram	1	4
25	Nagaland	3	5
26	Odisha	56	128
27	Puducherry	3	15
28	Punjab	63	275
29	Rajasthan	110	224
30	Sikkim	1	4
31	Tamil Nadu	173	489
32	Tripura	4	11
33	Uttar Pradesh	215	398
34	Uttarakhand	32	65
35	West Bengal	138	218
<b>TOTAL</b>		2048	4724

**Note:** General Insurance Corporation of India, the Indian re-insurer with its Headquarters in Mumbai has no branch in India but having three liaison offices in Chennai, Delhi and Kolkata which do not transact any re-insurance business.

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**STEPS TO REDUCE EXTERNAL DEBT**

New Delhi, Agrahayana 11, 1933  
December 02, 2011

India's external debt stock stood at US\$ 316.9 billion at end-June 2011.

The increase in external debt to US\$ 316.9 billion at end-June 2011 from US\$ 306.5 billion at end-March 2011 was largely on account of rise in commercial borrowings and short-term trade credits. Out of the total external debt of US\$ 316.9 billion, long term external debt stood at US\$ 248.4 billion while short term external debt accounted for US\$ 68.5 billion.

The prudent external debt management policy followed by the Government of India emphasizes monitoring of long and short term debt, raising sovereign loans on concessional terms with long maturities, regulating external commercial borrowings through end-use and all-in-cost restrictions and rationalizing interest rates on Non-Resident India (NRI) Deposits. As a result, the external debt on GDP ratio has declined from 21.1 per cent in 2001-02 and to 17.3 per cent in 2010-11

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**CREDIT GROWTH TO VARIOUS SECTORS**

New Delhi, Agrahayana 11, 1933  
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As per the information published by Reserve Bank of India in the Financial Stability Report June 2011, incremental credit growth during the last few years was mainly propelled by credit growth in few sectors, viz., retail, commercial real estate and infrastructure. Credit growth to specific sector may pose concerns. According to the data published in the Report on Trend and Progress of Banking in India 2010-11, during 2010-11, on a year-on-year basis, credit to infrastructure, real estate, retail and Non-Banking Financial Companies witnessed a growth of 38.6 per cent, 21.4 per cent, 19.5 per cent and 54.8 per cent, respectively as compared with the previous year's growth of 40.7 per cent, -0.3 per cent, 4.9 per cent and 14.8 per cent, respectively.

Profitability of the banking sector witnessed an improvement in 2010-11 over the previous year. The return on assets improved to 1.10 per cent in 2010-11 from 1.05 per cent in the previous year. The asset quality of the banking sector also witnessed an improvement in 2010-11 as compared with the previous year.

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