

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): In the light of recent developments relating to failure of some large financial institutions in USA and Europe, Reserve Bank of India (RBI) has undertaken an assessment of the exposure of major Indian banks to these entities as on 30th September, 2008. The assessment covered 37 banks' exposure, in fund and non-fund based terms, to the five entities viz Wachovia Corpn., Washington Mutual, AIG, Fortis and Lehman Brothers as also the provision made by the banks so far against such exposures. The total exposure of the banks to these five entities aggregated USD 1079.80 million comprising of USD 445.60 Million of fund based exposure and USD 634.20 million of non-fund based exposure. The exposures mainly consisted of derivative transaction (notional principal), investments, nostro balances, bank guarantees, forex exposures, etc. As on 30th September, 2008, the concerned Indian banks have, put together, made an aggregate provision of USD 47.30 million on these exposures.

Linking of PF accounts

2404. SHRIMATI T. RATNA BAI: Will the PRIME MINISTER be pleased to state:

(a) whether all the Provident Fund (PF) accounts would be linked to an all-India network and operations would be from a nodal centre using the core banking principles;

(b) if so, the details thereof; and

(c) how it would be practically useful to the PF subscribers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) Employees' Provident Fund Organisation (EPFO) is working on its modernization project on collaboration with National Informatics Centre (NIC). Initially, the new software application, that is presently under development would function in a decentralized fashion. After stabilization of the new software, consolidation of data and providing services in centralized fashion would be taken up. After data is consolidated and service delivery centralized, the subscribers would be in a position to access service on real time basis.

Protection of investments in share market

†2405. SHRI AJAY SINGH CHAUTALA: Will the PRIME MINISTER be pleased to state:

(a) the measures adopted to protect the investments made by Foreign Institutional Investors (FIIs) and small investors in Indian share market;

(b) whether Government would consider to set up a long term mechanism in this regard; and

(c) if so, by when this will be set up?

†Original notice of the question was received in Hindi.