

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (c) The issue of reducing the lock-in period of Insurance Companies Public Offer (IPOs) is under examination in consultation with the Insurance Regulatory and Development Authority (IRDA) and other stake holders. A final view has not yet emerged.

Fees for statutory auditors

2617. SHRI A. ELAVARASAN : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the comptroller and Auditor General has proposed to increase fees paid to statutory auditors of all Government companies;

(b) whether the high inflation is leading to auditing cost escalation and increased compliance burden on auditors;

(c) if so, the details thereof;

(d) whether Government auditors are being paid substantially lower fees as compared to Chartered Accountants (CAs) working in private sectors;

(e) whether CAG's proposal will help to enhance the quality of audit in Public Sector Units; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (c) As informed by the office of the Comptroller & Auditor General of India (C & AG), as per section 224(8)(aa) of Companies Act, 1956, the remuneration of auditors appointed under section 619 of the said Act by the C & AG, shall be fixed by the company in general meeting or in such manner as the company in general meeting or in such manner as the company in general meeting may determine. The C&AG's office has not made any specific proposal this regard but has requested all PSUs to review/revise the audit fee appropriately considering various relevant factors.

(d) Comparative data of this nature is not maintained centrally.

(e) and (f) As per the office of the C & AG, it may not be possible to comment on the enhancement in quality of audit due to the revision of audit fees.

Launching of unit linked insurance policies

2618. SHRIMATI BRINDA KARAT : Will the Minister of FINANCE be pleased to state:

(a) whether Government has any information regarding launching of unit linked (Stock market linked) insurance policies by the private insurance companies; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) The Insurance Regulatory and Development Authority (IRDA) has reported that every life insurance company registered under the IRDA (Registration of Indian Insurance Companies) Regulations, 2000, can transact life insurance business which includes 'linked business'. After clearance from IRDA, the insurance companies must launch the products within three months from the date of clearance. The number of new products cleared by the IRDA during the financial year 2009-10 in respect of private insurance companies was 236.

Credit limits and voting power in IMF

2619. SHRI MANOHAR JOSHI : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the structure and policy orientations promoted by richer countries in respect of International Monetary Fund (IMF) Quotas have remained unchanged during the last 60 years;

(b) if so, the details thereof and the reasons therefor;

(c) whether it is also a fact that growing economies like China and India are contributing 50 per cent to the world growth; and

(d) if so, the steps being taken in the matter to review the policy and structure in respect of credit limits and voting powers in view of the contribution of India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) The Quota at International Monetary Fund (IMF) is reviewed periodically at intervals of not more than five years through General Review of Quotas which allows the IMF to assess the adequacy of quota in terms of its own ability to help meet the financing needs of member countries and to reflect changes in member's relative position in the world economy. *Ad hoc* Quota increases outside general reviews do not occur often.

The details of the thirteen General reviews conducted so far and *Ad hoc* quota increase are available on the website of IMF (*i.e.* www.imf.org).

(c) As per IMF's World Economic Outlook (WEO) database, share of India and China in world growth during 2008 was 8.6 per cent and 24.0 per cent respectively. Thus, together they accounted for 32.6 per cent of world growth.