

1	2	3	4	5	6
Total Capital (Tier I & Tier II) (Basel II)	3,06,331	3,16,909	3,57,374	3,65,558	4,23,786
Gross NPAs	38,602	39,606	44,039	57,301	71,047
Net NPAs	15,892	17,866	20,801	27,183	31,362
Profit after tax	19,144	25,622	32,745	36,326	41,687
Return on equity (%)	14.96	16.54	16.60	15.40	15.40
Credit-Deposit Ratio (%)	71.85	71.98	70.51	71.28	73.81

*Note : Figures are annualized wherever necessary.*

*Source: RBI*

(c) The Government has entered into Performance Linked long term MoUs with the PSBs with a view to increase their efficiency and productivity wherein PSBs are required to meet the long-term targets on key productivity parameters. Further, all banks have been advised by RBI to meticulously follow the regulatory guidelines issued by them vide various Circulars such as Prudential norms on Capital Adequacy and Market Discipline, Prudential norms on Income Recognition & Asset Classification and Provisioning (IRAC) pertaining to advances, Norms for classification, valuation & Operation of Investment Portfolio of banks, Exposure Norms, Norms on Loans & Advances etc. Banks have also been advised by RBI from time to time, to take effective measures to strengthen the credit appraisal and post-credit monitoring to arrest the incidence of fresh NPAs and adopt a more realistic approach to reduce the existing and chronic NPAs in all categories. Further, adherence to the regulatory guidelines on classification of assets and accuracy in regulatory reporting and disclosure of financials etc. are overseen by RBI during the Annual Financial Inspection (AFI) Process. Wherever significant divergence in provisioning in NPA accounts is observed, the matter is taken up with the bank's statutory auditors for appropriate action.

#### **SEBI Inquiry in Public Auction of Shares by ONGC**

3463. SHRI SALIM ANSARI : Will the Minister of Finance be pleased to state :

(a) whether the Securities and Exchange Board of India (SEBI) and the Insurance Regulatory and Development Authority of India (IRDA) have launched an enquiry against the Life Insurance Corporation of India (LIC) to know as to how a transaction so large was allowed after the closure of stock market during ONGC public auction of shares;

(b) if so, the details of the enquiry so far; and

(c) the amount of money invested by LIC in ONGC shares and its value of these shares as on 31 March, 2012?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) No, Sir.

(b) Does not arise.

(c) The amount of money invested by LIC in ONGC shares till March 31, 2012 is Rs. 20,493.60 crore. The value of this investment as on March 31, 2012 is Rs. 21,752.91 crore.

#### **Directives of SEBI on public issue of debt securities**

3464. SHRI T. M. SELVAGANAPATHI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Stock Exchange Board of India (SEBI) had advised the brokers and distributors of public issues concerning debt securities to stop incentive payments to end investors subscribing them;

(b) if so, the details thereof;

(c) whether it is also a fact that the SEBI has said that such practices gives unfair advantage and adds to the issue cost; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) Yes, Sir.

(b) SEBI issued a circular CIR/IMD/DF/22/2011 dated December 26, 2011, prohibiting payment of incentives, direct or indirect, whether in cash or kind or service or otherwise in respect of public issue of debt, by any person connected with the issue.

(c) and (d) It was understood from market participants that in public issues of debt securities, some brokers/ distributors were passing on part of their brokerage/ commission to the final investor(s) for subscription to such public issue of debt. As a result, while on one hand it was giving an unfair advantage/bargaining power to a certain set of investors and distributors, on the other hand it was adding to the cost of issuance for the company. In order to curb such practices, SEBI issued the aforesaid circular.

#### **Increase in FDI in insurance sector**

3465. SHRI VIJAY JAWAHAR LAL DARDA : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal to increase the Foreign Direct Investment (FDI) in insurance companies to 49 per cent from the existing 26 per cent now;