

(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;