

The insurance penetration is impacted by several macro-economic factors such as growth, inflation, interest rates, small savings return and returns of competing financial products offered by banks and mutual funds.

(c) The IRDA undertakes a sustained insurance education campaign under the brand name *Bima Bemisaal*. The campaign seeks to educate the uninsured and the insured about the need for insurance, rights, obligations of policyholders etc. through various media channels viz. print, radio and television. IRDA also supports consumer bodies in conducting seminars and workshops on insurance in various parts of the country in order to create awareness about insurance. The *Bima Bemisaal* campaign is carried out in various Indian languages including Hindi, apart from English. IRDA has also brought out educational material for the public and policyholders. Further, to create awareness, IRDA over the last two years has started conducting yearly seminars exclusively on policyholder protection and welfare that brings together all stakeholders including consumer representatives.

New measures for assessment of PSB performance

4235. SHRI ISHWAR SINGH : Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government has recently decided to measure the performance of Public Sector Banks across the country by adopting new rules;

(b) if, so the details thereof;

(c) whether the level of credit and deposit growth rate parameter have been kept away in measuring performances of Public Sector Banks; and

(d) if so, to what extent the new parameter adopted by Government to measure performances of Public Sector Banks will impact the functioning of such banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (d) Annual targets on parameters under Statement of Intent (SOI) are fixed and performance of Public Sector Banks (PSBs) on these parameters is reviewed by the Government. The targets on percentage growth in advances and deposits have been deleted for the year 2011-12. However, the productivity targets of 'advances per employee' and 'deposit per employee' remain in the SOI. The review of performance, therefore, would be based on these productivity parameters in so far as performance of PSBs on 'advances' and 'deposits' is concerned.

Amending bilateral investment treaties

4236. SHRI A. ELAVARASAN : Will the Minister of FINANCE be pleased to state:

(a) whether rattled by threats from foreign companies to drag India to international courts over breach of investment promises, Government has decided to

erase a key clause in bilateral investment treaties that allows for international arbitration in order to protect itself;

(b) if so, the details thereof;

(c) whether Government is negotiating with countries to amend the investment treaties so that any supposed violation of an investment promise through Indian Government action can be challenged only in Indian courts; and

(d) if so, the details thereof ?

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

(b) to (d) No, Sir.

Zero cost option structure

4237. SHRI TARUN VIJAY : Will the Minister of FINANCE be pleased to state:

(a) whether in July, 2006 an amendment to RBI Act resulted in losses of around Rs. 32,000 crores as per RBI estimates;

(b) the need for such amendment allowing “Zero-cost option structures”;

(c) whether there exists a RBI note providing that this amendment was brought at the behest of authorised forex dealers;

(d) if so, the details thereof;

(e) whether it was a case of supervisory failure on the part of RBI actions taken by then Finance Minister; and

(f) the reasons for penalizing only 19 banks in 2011 by RBI just Rs.10-15 lakhs for violating derivatives guidelines where “either 5 lakh or twice the amount involved and whichever is more” clause exist?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (e) The amendment to the Reserve Bank of India Act, 1934 had taken place in 2006 by inserting Section 45U. The Section 45U defines ‘Derivatives’ as an instrument comprising among other products - Foreign currency swaps, foreign currency Rupee swaps, foreign currency options or such other instruments as may be specified by the bank from time to time. The amendment to the Act does not specifically refer to Zero Cost Option structure. RBI has, further, informed that as part of the updation of Master Circular on Risk Management and Interbank Dealings in July 2006, it was clarified that Authorised Dealers (ADs) can also undertake Zero Cost Option structures.