

Loss after publication of CAG report on 2G spectrum

2205. SHRI SHANTARAM NAIK : Will the Minister of FINANCE be pleased to state:

(a) whether any assessment of the value of presumptive loss caused to the nation after the publication of CAG report indicating presumptive loss caused to the Exchequer in 2-G spectrum matter, which led to the decline in share market and reduction in foreign and local investment and consequently crores of rupees loss to the nation has been done; and

(b) if not, whether Government would consider initiating such assessment by a special commission under commission of Inquiry Act?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) No, Sir. No assessment of the value of presumptive loss caused to the nation after the publication of CAG report in 2G spectrum matter, has been made by Government of India.

Movements of share market depend on many factors including economic factors, domestic and international events, market sentiments, corporate performance and future economic-growth. The stock market capitalizes the present and future values of growth opportunities while evaluating the growth of all sectors in economy.

Loss or profit on account of the movement in market prices or indices will depend on the composition of the portfolio, the cost of acquisition of securities, subsequent corporate benefits accruing to the portfolio and selling prices. Therefore, it is not possible to quantify the extent of loss or profit of the shareholders.

(b) No proposal for such an assessment is under consideration.

Cut in plan expenditure

2206. SHRI M.P. ACHUTHAN :

SHRI D. RAJA :

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Central Ministries and Departments have been told to cut their plan expenditure upto 40 per cent to make up the fiscal deficit for the current financial year; and

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

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

(b) Does not arise.

Reduction in Basel-III burden

2207. SHRI T.M. SELVAGANAPATHI : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government can cut Public Sector Banks stake below 51 per cent to reduce Basel-III burden;

(b) if so, the details thereof;

(c) whether it is also a fact that the PSU banks will need capital in the range of Rs. 70,000 crore to Rs. 1,00,000 crore to be Basel-III ready; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) and (b) There is no such proposal.

(c) and (d) The Reserve Bank of India (RBI) has informed that actual quantum of capital to be required by Indian Banks will depend on numerous factors such as economic growth, growth in the Risk Weighted Assets of the banks, profitability of banks and extent of retained earnings, level of non-performing assets, growth in capital markets etc. However, at present all the Public Sector Banks (PSBs) are well above the regulatory prescription of capital adequacy.

Prop up the insurance sector

2208. SHRI T.M. SELVAGANAPATHI : Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government is considering to prop up the insurance sector with a likely announcement of measures to revive insurers and ease investment norms for them;

(b) if so, the details thereof;

(c) whether it is also a fact that Government has held discussions with the heads of public sector insurance companies in this regard; and

(d) if so, the deliberations?