

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?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA) : (a) to (d) Yes, Sir. Government has held meetings with the CEOs of public and private sector insurance companies, IRDA, Life and General Insurance Councils to address the issues in the insurance sector and steps to be taken to revive the growth in the sector. The steps identified for action, to give fillip to the sector and expand penetration, include tax related measures and regulatory issues including investment norms, product design, micro insurance and bank insurance, among others.

Show Cause Notice issued by Enforcement Directorate

2209. SHRI RAM KRIPAL YADAV : Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that Enforcement Directorate has issued Show Cause Notice to export companies allegedly involved in a Rs. 600 crore gold export fraud;
- (b) if so, whether this amount is collected, if not, reasons for the same;
- (c) whether any action is taken against those exporters for this fraud and what are the actions taken to stop such type of fraud in future; and
- (d) the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) : (a) to (d) Show Cause Notices for amounts totaling Rs. 313.72 crores for contravention of the relevant provisions of the Foreign Exchange Management Act, 1999 (FEMA) have been issued to four companies engaged in export of gold jewellery.

Appropriate action is taken by the Directorate of Enforcement whenever instances of contravention of FEMA come to its notice.

Projects running with the help of World Bank

†2210. SHRI DARSHAN SINGH YADAV : Will the Minister of FINANCE be pleased to state:

- (a) the details of projects being run in the country with the help of World Bank and other kinds of assistance especially in the backward and rural areas as on date, place-wise;

†Original notice of the question was received in Hindi.