

The quarterly/half yearly information in respect of investments made by PSUs is not maintained in this Ministry.

Imposition of penalty on banks for loss in derivative trade

*496. SHRI ALOK TIWARI: Will the Minister of FINANCE be pleased to state:

(a) whether as per the data collected by RBI from 22 banks for Market to Market loss in derivative trade to customers has been around Rs. 31,000/- crore for December, 2008;

(b) whether the 19 banks on which penalties were imposed were penalized between Rs. 5 lakh to 15 lakh only, if so, the reasons therefor;

(c) the basis on which the penalties were imposed on banks;

(d) whether Government would review the penalties imposed on banks for contravention of guidelines relating to derivative trade in view of irrational penalties in comparison to loss; and

(e) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (c) As per the data collected by the Reserve Bank of India (RBI) from 22 banks for Marked to Market (MTM) positions regarding customers for December 2008 was at Rs. 31,719 crores. This cannot be termed as estimated losses as MTM is basically an accounting concept, wherein all outstanding financial contracts are marked to market at fair value. Hence, MTM value is dynamic in nature and changes in line with the market movements and represents the replacement cost of the derivative contracts.

RBI had imposed penalties on 19 commercial banks on April 26, 2011 under Section 47A of the Banking Regulation Act, 1949 (the Act) for contravention of various instructions issued by RBI in respect of derivatives, such as failure to carry out due diligence in regard to suitability of products, selling derivative products to users not having risk management policies, and not verifying the underlying/adequacy of underlying and eligible limits under past performance route.

To rationalize the punitive action, the 19 banks were categorised into three groups based on the number of significant contraventions established during the course of the proceedings. Of the 19 banks, six banks which had five or more

such contraventions were penalized Rs.15.00 lakh each, eight banks which had less than five, but more than two such contraventions were penalized Rs.10.00 lakh each and five-banks which had two such contraventions were penalized Rs. 5.00 lakh each.

(d) and (e) Penal action is taken by RBI under clause (b) of sub-section (1) of Section 47A of the Act read with clause (i) of sub-section (4) of Section 46 of the Act. The Government has reviewed the penalty regime under the Act and substantially increased the penalties by way of an amendment in the Act to establish an effective and dissuasive penalty regime for violations of the provisions of the Act. In terms of the provisions of the amended Act as amended by the Banking Laws Amendment Act, 2012, such penalty under the Act has been increased from Rs.5.00 lakh to Rs.1 crore and the daily penalty for continuance of the contravention or default has been increased from Rs.25,000 to Rs.1 lakh.

Difficulties faced by patients in getting treatment at AIIMS

*497. SHRI DHIRAJ PRASAD SAHU: Will the Minister of HEALTH AND FAMILY WELFARE be pleased to state:

(a) whether Government is aware that a large number of patients from outside Delhi visit AIIMS and Safdarjung Hospital for better treatment;

(b) if so, whether these outdoor patients face a lot of difficulties in getting the appointments from doctors and treatment process as well;

(c) whether the rent for a small room with a single bed has been increased nearly threefold from Rs.35 to Rs.100 per day;

(d) if so, whether there is any plan with Government to control this; and

(e) whether AIIMS infrastructure is under tremendous strain due to a heavy patient load on it?

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI GHULAM NABI AZAD): (a) and (b) It is a fact that very large number of patients, nearly 26 lakhs every year, visit each of the Outpatient Departments (OPD) at All India Institute of Medical Sciences (AIIMS), New Delhi and Safdarjung Hospital, New Delhi for consultation and proper treatment. In spite of space and other infrastructure constraints in OPDs, best possible efforts are made by the doctors, nurses and other staff to give proper attention to OPD patients and to provide them with the best possible consultation and care. OPD patients, who are admitted