

[17 December, 2002]

RAJYA SABHA

(b) if so, whether Income Tax Department has made any enquiry into assets of present CMD; if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) A complaint was received against the present Chairman and Managing Director of Punjab and Sind Bank alleging *inter-alia* that he had misused his authority as a result of which more than Rs. 350 crores has become Non-Performing Assets (NPAs) during his tenure in Corporation Bank and he was responsible for NPAs of more than Rs. 450 crores during his tenure in Punjab and Sind Bank when he looked after the advances department of the bank. The Reserve Bank of India (RBI) has conducted a scrutiny of the above allegations and reported that the allegations were not substantiated.

Complaints against executives of banks

2769. SHRI BHAGATRAM MANHAR: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government have received complaints during the last three years against the present CMD and Executive Director of nationalized banks for amassing assets, disproportionate to their known sources of income;

(b) if so, the details thereof indicating the names of officials and the banks concerned; and

(c) the action taken by Government in each case?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Complaints were received alleging *inter-alia* accumulation of huge assets by the present CMDs of Oriental Bank of Commerce, Central Bank of India, Punjab and Sind Bank and Vijaya Bank. All these complaints were referred to Reserve Bank of India (RBI) for examination. RBI has reported

that the allegations in this regard were vague and general in nature and not substantiated on the basis of existing records.

Market share of LIC

2770. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that new private players in insurance sector are poaching LIC's market share;

(b) if so, what is the comparative data in respect of LIC and private players for the last two years in various insurance products, both rural and urban markets;

(c) whether it is also a fact that the drift of customers from LIC is on account of their diminishing confidence level in the LIC after the UTI fiasco, a Government owned entity like the LIC; and

(d) if so, what measures are contemplated to redeem the confidence of the public in LIC?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) No, Sir. The Life Insurance Corporation (LIC) have registered a growth of 16.24% in policies, 54.34% in sum assured and 137.03% in First Premium Income during 2001-02.

(b) Comparative performance of LIC and private insurance companies for last 2 years is given in the Statement (See below).

(c) and (d) No, Sir. The business performance of LIC indicates that it is enjoying confidence of the customers. To improve its image further, LIC is aiming at reduction in outstanding claims ratio, networking the branches to provide on the spot information to customers and making aggressive publicity campaign of its products and services.