

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:2832

ANSWERED ON:10.05.2006

INVESTMENT IN CAPITAL MARKET BY POSTAL DEPARTMENT

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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the quantum of money collected on various Postal Insurance Schemes during each of the last three years;
- (b) whether the Union Government has given permission to Postal Department for investment of its funds in capital market as reported in the Nav Bharat Times, dated March 27, 2006;
- (c) if so, the details in this regard with the reasons for the same;
- (d) whether the Government has assessed the risk factors involve in this; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SHAKEEL AHMAD)

(a) The premium collected during the last three years is given as under:

Year	PLI (Rs. in crores)	RPLI (Rs. in crores)
2003-04	698.17	245.33
2004-05	904.58	380.88
2005-06	1596.59	645.15

(Un-audited)

(b) The Ministry of Finance vide their OM No. 5(12)-PD/2001 dated 24th May, 2005 and OM of even No. dated January 30, 2006, have communicated the following decisions in respect of investment of Post Office Life Insurance Fund (POLIF) and Rural Post Office Life Insurance Fund (RPOLIF):

- (i) Corpus under POIF and Rural POIF would get frozen as on March 31, 2006. The balance under POIF and Rural POIF as on March 31, 2006 would be converted into dated securities over a period of three years, starting in the Financial Year 2006-07, offering a mix of maturities, to be decided in consultation with Department of Posts.
- (ii) The subscription received under PLI and RPLI during the period between April 1, 2006 and September 30, 2006 may be invested in the Special Deposit Scheme.
- (iii) Accretions under PLI and RPLI with effect from October 1, 2006 should be invested as per the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended by Insurance Regulatory and Development Authority (Investment) (Amendment) Regulation, 2001 or any subsequent amendment.
- (iv) The cumulative investment during April 1, 2006 to September 30, 2006 shall be eligible for withdrawal on September 30, 2006 or on any date thereafter.
- (v) No subscription shall be received with effect from October 1, 2006 and no interest shall accrue on the amounts invested in the corpus on or after April 1, 2006 with effect from October 1, 2006.

(c) to (e) Do not arise in view of (b) above.