

power to the Securities and Exchange Board of India (SEBI) to regulate more effectively the functioning of the Capital Market; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). The Securities Laws (Amendment) Act, 1995 has adequately strengthened SEBI's powers to ensure orderly functioning of the capital market. SEBI now has powers to impose monetary penalties for a number of violations, to issue directions to companies in matter relating to issue of capital and transfer of securities, to formulate regulations governing the capital market and to regulate the working of additional market intermediaries such as depositories, foreign institutional investors, credit rating agencies, venture capital funds and collective investment schemes. Such issues are under constant review by the Government.

[Translation]

Bank Loans to Commercial Sector

1180. SHRI SATYA DEO SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have recently issued certain instructions to the banks in the matter of providing loans to commercial sector;

(b) if so, the details thereof;

(c) the total amount of loans provided to commercial sector during 1995-96; and

(d) the amount of bank loans recovered from commercial sector alongwith the amount put under bad debts during 1994-95 and 1995-96?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b). In the monetary policy for the second half of 1996-97, Reserve Bank of India (RBI) have announced further reduction of Cash Reserve Ratio (CRR) in phases from existing 12.0 per cent to 10.0 per cent. Each percentage point reduction in CRR would enhance the lendable resources of banks by about Rs. 4275 crores. RBI have also advised banks that alongwith the announcement of their PLR, banks should also announce the maximum spread over the PLR for all advances other than consumer credit. In the light of the measures announced by RBI, banks have responded by reducing their Prime Lending Rate (PLR) appropriately.

(c) The non-food credit of scheduled commercial banks as at end March, 1996 was Rs. 2,44,224 crores, and increase of Rs. 44,938 crores (22.5 per cent) over the previous year.

(d) As per information available from RBI, the amount of recovery of Non-performing Assets (NPAs) of nationalised banks during the years 1994-95 and 1995-96 were Rs. 3271.90 crore and Rs. 3258.76 crore respectively. The position of NPAs of these banks during the years 1994-95 and 1995-96 were Rs. 25114.50 crore and Rs. 26464.04 crore respectively.

[English]

Scrutiny of Sanctions by Bank Chiefs

1181. SHRI JAMG BAHADUR SINGH PATEL : Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the newsitem appeared in the "Indian Express" under the caption "RBI wants strict scrutiny of sanctions by bank chiefs" dated September 28, 1996;

(b) if so, the facts thereof; and

(c) the number of cases that have come to light where the authority to sanction the loan has been violated misused and the action taken thereon, bank-wise, during the recent past?

THE FINANCE MINISTER (SHRI P. CHIDAMBARAM) (a) and (b). Yes, Sir. Half-yearly reviews of large advances sanctioned by the Chairman and Executive Directors of banks are done to verify that the top management of the bank are working within their delegated powers.

(c) The information is being collected and will be laid on the Table of the House.

Border Trade with Myanmar and Bangladesh

1182. SHRI ISWAR PRASANNA HAZARIKA : Will the Minister of COMMERCE be pleased to state :

(a) the average volume of border trade transacted from the North-Eastern States to Myanmar and Bangladesh separately;

(b) whether there are any lists of approved items in respect of the above;

(c) if so, the details thereof; and

(d) the steps taken by the Government to promote and expand the border trade between the North-Eastern States and the neighbouring countries?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) The total volume of border trade between India and Myanmar during the period 12.4.95 to 15.6.96 was of the order of Rs. 25.78 crores through the Moreh-Tamu route. There is no official border trade between India and Bangladesh at present.