

WRITTEN ANSWERS TO QUESTIONS

[English]

PSE SHARES

*245. SHRI PRITHVIRAJ D. CHAVAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Government are considering debt-equity swap of PSE shares with high interest bearing government securities held by public sector banks;

(b) if so, whether any methodology of pricing the PSE equity has been worked out;

(c) if so, the details thereof;

(d) whether the Government are also considering to swap external commercial debt with PSE equity; and

(e) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) No, Sir.

(b) and (c) Do not arise.

(d) No, Sir.

(e) Does not arise.

RBI DIRECTIVES

*246. SHRI KASHIRAM RANA : Will the Minister of FINANCE be pleased to state :

(a) whether the Reserve Bank of India has decided to impose fines on the public sector and other banks which violate its directives;

(b) if so, the details thereof;

(c) the criteria and norms formulated by the Reserve Bank of India in this regard; and

(d) the number of banks fined so far after the above decision of RBI and the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY

OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) Yes, Sir. Banking Regulation Act, 1949, Reserve Bank of India Act, 1934 and relevant statutes authorise Reserve Bank of India (RBI) to issue directives to all banks on various aspects of their functioning. RBI are also authorised to impose penalties for violation of their directives.

(b) to (d) During 1992, RBI had observed that two nationalised banks were making excessive borrowings from the call money market and were extending credit facilities beyond their means. RBI, therefore, issued directives to the said banks in August, 1992 restricting their level of non-food credit and their borrowings from the call money market and term deposit market.

Penalties were imposed on the two banks for violating the above directives. The norms for imposing penalty were as under :—

(i) the rate of interest payable on eligible CRR balances would stand reduced in proportion to the excess over and above the ceiling fixed for call money term deposit and bill re-discounting borrowings.

(ii) the amount of non-food credit in excess of the specified level would be reduced from the eligible CRR balances for the purpose of calculation of interest payable on them. This penalty would be over and above the penalty indicated at (i) above.

INDIRA GANDHI INTERNATIONAL AIRPORT

*247. SHRI MOHAN RAWALE : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) whether the National Airports Authority had withdrawn the Instrument Landing System from the main runway (No. 28) at the Indira Gandhi International Airport, Delhi;

(b) if so, the reasons therefor; and

(c) the progress made so far in regard to re-installation of the system to ensure safe landing of aircraft at the airport ?