

(c) and (d). Yes, Sir. STC is contemplating entering into joint ventures with a view to strengthening its supply base of exports in the fields of floriculture, horticultural products, marine products, processed foods, consumer items, leatherware, gems & jewellery, textiles, engineering goods, software, drugs and pharmaceuticals etc.

Board of Financial Supervision for Banks

6467. SHRI S.M. LALJAN BASHA :

SHRI MANORANJAN BHAKTA :

SHRI R. SURENDER REDDY :

Will the Minister of FINANCE be pleased to state :

(a) whether the Board of Financial Supervision (B.F.S) set up by the Reserve Bank of India (RBI), has mooted an off-site surveillance of commercial banks;

(b) if so, the composition thereof and the broad features of this prudential supervisory reporting system; and

(c) the extent to which it is likely to check the banks indulging into scams like the ones witnessed recently and enable the R.B.I. to monitor the regulatory compliance of its supervisory authority, besides focussing the commercial banks' attention on sensitive areas such as asset quality and risk considerations?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Reserve Bank of India (RBI) have introduced an off-site Surveillance System (OSS) to strengthen supervision over commercial banks.

(b) The OSS consists of 12 returns (10 at quarterly and 2 at half yearly intervals) to be filed by the banks with the RBI in two stages. The first tranche of 7 returns has already been introduced with effect from 28th February, 1995.

(c) The off-site reporting system will provide information on areas of prudential interest and will help to throw early warning signals which can be examined further through on-site inspections. The new reporting system will also strengthen the Management Information System (MIS) within the banks themselves since it will provide the banks with comprehensive information on key areas like capital adequacy, asset quality etc. on an ongoing basis.

Foreign Institutional Investors

6468. SHRI HARISINH CHAVDA : Will the Minister of FINANCE be pleased to state :

(a) whether foreign institutional investors registered

in Gujarat are facing severe technical problems in the form of custodian service and in the area of settlement, and

(b) if so, the steps being taken by the Government for removing the technical problems faced by these foreign institutional investors?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY).

(a) and (b). Foreign Institutional Investors are registered centrally with the Securities and Exchange Board of India (SEBI) and not on a regional basis or state-wise. In the initial stages of investing in India, FIIs faced difficulties in obtaining efficient Custodial Services, as considerable paper work was involved in share transfers and very few custodians were catering to the needs of the Custodial Services of FIIs. The situation has, however, considerably improved with Government and SEBI having taken measures to reduce the extensive paper work through the introduction of Jumbo Transfer Deeds to handle bulk transfers of shares and the provision of a facility of consolidated payment of Stamp Duty by Banker's Cheques where bulk transactions occur. Additional Custodial Services are also being provided by new market entrants.

Reduction in Tobacco Crop in Karnataka

6469. SHRIMATI CHANDRA PRABHA URS : Will the Minister of COMMERCE be pleased to state:

(a) whether the Tobacco Board has given any direction to farmers of Karnataka to reduce the tobacco crop;

(b) if so, the reasons therefor;

(c) whether the Government has instructed the Tobacco Board not to insist upon the farmers to reduce the crop; and

(d) whether the Tobacco Board have made any plan to purchase the entire production of tobacco being grown by the farmers in the State particularly in Mysore District?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) The Tobacco Board has not reduced the authorized crop size in 1995-96 of virginia tobacco for Karnataka.

(b) and (c). Do not arise.

(d) The Board has not proposed to purchase tobacco but makes requisite arrangements for the marketing of authorised virginia tobacco grown in Karnataka including Mysore district.