

New Stock Exchanges in Maharashtra and Punjab

956. SHRI MOHINDER SINGH KALYAN :

DR. SHRIKANT RAMCHANDRA JICHKAR :

Will the Minister of FINANCE be pleased to state :

(a) whether progress has so far been made in the setting up of new Stock Exchanges in Maharashtra and Punjab;

(b) what are the proposals under Government's consideration in this regard; and

(c) by when the new stock exchanges are likely to become functional ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) :
(a) and (b) A Committee appointed by the Government in 1991 for establishment of new Stock Exchanges had, inter alia suggested establishment of Stock Exchanges at Nagpur, New Bombay and Chandigarh. The Government have recently granted recognition to National Stock Exchange at Bombay, which would serve the entire country through its fully automatic, electronic net work. The SEBI have been asked to suggest a viable group of promoters in the case of proposed Stock Exchanges at Nagpur and Chandigarh.

(c) No time frame has been chalked out for establishing new Stock Exchanges at Nagpur and Chandigarh as the promoters to be recommended by SEBI have to take necessary steps in this regard.

Reduction in the Interest by RBI

957. DR. NAUNIHAL SINGH : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that the Reserve Bank of India will be launching another round of interest cut, if so what are the details thereof;

(b) whether Government are considering the realignment of the entire interest regime, if so by when and what are the details thereof;

(c) whether Government are considering the invitation of the phased reduction of the statutory liquidity ratio (SLR) and the cash reserve ratio (CRR); and

(d) if so, by when and what are the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) :

(a) and (b) The structure of lending rate is determined by Reserve Bank of India (RBI) taking into account a number of factors like the growth rate of the economy, the rate of inflation, the pace of monetary expansion, the cost of raising resources by banks, the profitability of banks etc. Keeping in view the above factors, RBI reviews the lending rate structure from time to time. RBI feels that the current lending rate structure for banks, is appropriate. However, the banks are under instructions from RBI that while they are free to determine the actual lending rates on higher category of loans, it is necessary for them to adopt an objective and rational criteria for deciding the range of rate between the minimum lending rates as fixed by the RBI and the actual rates charged to different borrowers.

(c) and (d) The Statutory Liquidity Ratio (SLR) for Scheduled Commercial Banks (excluding Regional Rural Banks) up-to the level of outstanding net demand and time liabilities (excluding Regional Rural Banks) upto the level of outstanding net demand and time liabilities (excluding non-resident liabilities) as on