

in place a framework for prohibition of insider trading in securities. SEBI has informed that it has recently received an anonymous complaint from a complainant claiming to be a whistle-blower *inter alia* alleging market manipulation and insider trading by a group of entities.

(c) and (d) SEBI conducts investigation to examine alleged or suspected violations of laws and Regulations relating to the securities market. Post investigation, whenever violations are established appropriate enforcement actions are taken under the provisions of the SEBI Act, 1992 and Regulations framed thereunder which culminate in the issuance of orders. SEBI has informed that it may re-examine an investigation matter pertaining to securities market if any new information or evidence is received in such matter and depending upon the relevance and materiality of such new information or evidence. The details of insider trading cases taken up and completed during the last three financial years are given below:—

Financial Year	Cases taken up	Cases completed*
2015-16	12	20
2016-17	34	15
2017-18	15	06

* including cases taken up in previous years also.

Source: SEBI.

More powers to RBI

2934. SHRI C. M. RAMESH: Will the Minister of FINANCE be pleased to state:

(a) whether Government is contemplating to give more powers to the RBI to enable it to regulate the State run banks in view of the recent state of scams involving some Public Sector Banks (PSBs); and

(b) whether Government has initiated any consultation with different stakeholders in this regard, if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SHIV PRATAP SHUKLA): (a) and (b) The Reserve Bank of India (RBI) regulates and supervises public sector and private sector banks. Under the provisions of the Banking Regulation Act, 1949, it can, *inter alia*,—

(i) inspect the bank and its books and accounts (Section 35(1) *ibid*);

- (ii) examine on oath any director or other officer of the bank (Section 35(3) *ibid*);
- (iii) cause a scrutiny to be made of the affairs of the bank (Section 35(1A) *ibid*);
- (iv) give directions to secure the proper management of the bank (Section 35A *ibid*);
- (v) call for any information of account details (Section 27(2) *ibid*);
- (vi) determine the policy in relation to advances by the bank (Section 21 *ibid*);
- (vii) direct special audit of the bank (Section 30(1B) *ibid*); and
- (viii) direct the bank to initiate insolvency resolution process in respect of a default, under the provisions of Insolvency and Bankruptcy Code, 2016 (Section 35AA *ibid*).

Further, in respect of nationalised banks and the State Bank of India (SBI), under the provisions of the Banking Companies (Acquisition and Transfer of Undertakings) Acts of 1970 and 1980 ("Bank Nationalisation Acts") and the State Bank of India Act, 1955 ("SBI Act") respectively, *inter alia* —

- (1) RBI's nominee Director is a member on—
 - (i) the nationalised bank's Management Committee of the Board, which exercises the powers of the bank's Board with regard to credit proposals above specified threshold (Section 9(3)(c) of the Bank Nationalisation Acts, and paragraph 13 of the Nationalised Banks (Management and Miscellaneous Provisions) Schemes of 1970 and 1980 made by the Government under the Bank Nationalisation Acts), and
 - (ii) the Executive Committee of the Central Board of SBI, which may deal with any matter within the competence of the Central Board subject to SBI General Regulations, 1955 and Central Board's directions (Sections 19(f) and 30 of SBI Act, and regulation 46 of SBI General Regulations, 1955);
- (2) RBI approves the appointment and fixes the remuneration of the bank's auditors (Section 10 of the Bank Nationalisation Acts, and Section 41 of the SBI Act); and

- (3) RBI can appoint additional Directors on the nationalised banks' Boards and State Bank of India's Central Board (Section 9A of the Bank Nationalisation Acts, and Section 19B of the SBI Act).

In addition, whole-time Directors of nationalised banks and State Bank of India are appointed in consultation with RBI.

RBI has powers under other laws as well, which include, *inter alia*, the power under Section 12 of the Foreign Exchange Management Act, 1999 to inspect for compliance with the Act and rules etc. made thereunder.

RBI also maintains the Central Repository of Information on Large Credits (CRILC) on aggregate fund-based and non-fund-based exposures of ₹ 5 crore and above of all banks. Further, RBI maintains the Central Fraud Registry and banks report all frauds involving amount above ₹ 1 lakh to RBI. In addition, RBI's Master Directions on Frauds lay out guidelines on categorisation, reporting and review of frauds, along with norms for consequent provisioning.

The powers of RBI are wide-ranging and comprehensive to deal with various situations that may emerge in all banks, including public sector banks. No proposal with regard to change in RBI's powers in respect of public sector banks is presently under consideration/consultation. Improvement in regulatory functioning being an ongoing process, Government engages with stakeholders, including RBI, and discusses issues as they evolve.

Share of States in Central Cess

2935. SHRI DHARMAPURI SRINIVAS:

SHRI T. G. VENKATESH:

Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that the States have been deprived of their share in Central Cessers being collected by Central Government under GST;
- (b) if so, the details thereof;
- (c) whether Government has received submissions from States to provide proper share in Central Cesses to compensate their revenue losses, if so, the details thereof; and
- (d) the stand of the Government in this regard?