

Funds Collected by Pearless Company**STATEMENT**

3087. PROF. K.V. THOMAS : Will the Minister of FINANCE be pleased to state :

(a) the total deposits collected by Pearless Company so far

(b) the manner as to how interest of the depositors is protected; and

(c) the details of the projects/schemes where the Pearless Company is investing the huge amount so collected?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) Reserve Bank of India (RBI) has reported that as on 31st March, 1995, Pearless General Finance and Investment Company Ltd. (PGFI) had collected deposits amounting to Rs. 3810.04 crores.

(b) A residuary non-banking company (RNBC) is required to comply with the provisions of the Residuary Non-Banking Companies (Reserve Bank) Directions, 1987 under which an RNBC is required to maintain 10% of its deposits liabilities in fixed deposit with public sector banks and 70% of such deposits in approved and Government securities. As regards the balance 20% or ten times the net owned fund, whichever is less, an RNBC is free to invest it at its discretion with the approval of its board. Further, fixed deposit receipts and other securities are required to be kept with a designated bank for safe custody which shall not be withdrawn except for repayment to the depositors.

(c) RBI has reported that PGFI extends several loans and advances to its subsidiaries and other associate companies for development of projects.

Committee to suggest Reforms for IA

3088. SHRI RAM KAPSE : Will the Minister of CIVIL AVIATION AND TOURISM be pleased to state :

(a) whether the Government have under their consideration a proposal to appoint a High Power Committee for suggesting reforms for Indian Airlines;

(b) if so, the composition thereof and the details of the areas to be covered; and

(c) the time by which it is likely to submit its report?

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD) : (a) to (c). A Committee of Experts has already been set up to make a comprehensive examination of the reasons for losses in Indian Airlines, and develop strategies for turning around Indian Airlines, in the context of a competitive market environment. The composition of the Committee of Experts is given in the enclosed Statement. The Committee is likely to submit its report shortly.

1.	Dr. Vijay Kelkar, Secretary, Ministry of Petroleum and Natural Gas	Chairman
2.	Shri Deepak Parikh, Chairman, HDFC	Member
3.	Shri P.G. Mankad, Director General, National Productivity Council	Member
4.	Shri Suresh Krishna Chairman, TVS Group	Member
5.	Capt. D.S. Mathur Ex-Managing Director, Air India	Member
6.	Shri P.C. Sen, Managing Director, Indian Airlines	Member
7.	Dr. G.K. Agarwal	Secretary

Mutilated Notes

3089. SHRI RAJNATH SONKAR SHASTRI : Will the Minister of FINANCE be pleased to state :

(a) whether currency notes in the villages get mutilated, torn and eaten by mice and the villagers find it difficult to get such notes replaced particularly when the note is not full but in pieces with numbers of the notes intact;

(b) if so, the reasons for not replacing such notes by the public sector banks; and

(c) the action Government propose to take in this regard and remove the hardships of the people?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. DEBI PROSAD PAL) : (a) and (b). Currency notes may get mutilated, torn and eaten up by mice etc. in villages. To facilitate the general public residing in remote corner to exchange such notes, the public sector banks maintaining currency chests have been given full powers to adjudicate such notes. Similarly, all branches of public sector banks have been authorised to exchange under RBI's Special Procedure.

(c) These banks are also required to display the availability of note exchange facility at their branches. Whenever specific complaints are received in RBI against public sector banks regarding non-availability