

Place, New Delhi takes more than five months to issue such a policy;

(d) if so, the reasons for taking such an inordinately long time;

(e) the number of cases in which fire and riot insurance covers were tendered at the above Branch Office in the later half of November, 1984 and insurance policies in respect of which have not so far been issued; and

(f) the steps his Ministry propose to take to get matters expedited and lay down a time-limit in such cases?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :**

(a) and (b). Although no time limit has been prescribed for issue of an insurance policy by the insurance companies, they are expected to do so immediately after acceptance of proposal and collection of related premium. Pending issue of policy, a provisional cover note is issued to the insured. However, cases do arise where the description of risk is found incorrect/incomplete and/or the premium is inadequate; these deficiencies delay issue of the insurance policies.

(c) and (d). No, Sir. However, issue of policy may get delayed at times on account of reasons referred to above.

(e) 57 proposals for fire and riot insurance were received during second half of November, 1984. In no case the insurance policy remains to be issued.

(f) Cases of inordinate delays, if any, in issue of policy etc. are brought to the notice of the GIC/Company concerned for remedial action. Insurance Companies have been asked to pay greater attention towards customer satisfaction and expeditious issue of policy documents.

**Issues of Debentures by Lohia Machines**

7123. SHRI RAM SAMUJHAWAN : Will the Minister of FINANCE be pleased to state :

(a) whether the Lohia Machines Ltd., Kanpur has been authorised to issue debentures;

(b) if so, the amount authorised to be raised and the number of debentures to be issued;

(c) whether the issue of debentures is restricted to their issue to the existing debenture-holders only; if so, the manner in which these will be allotted them; and

(d) the reasons for not throwing open the issue to the public and restricting it to previous debenture holders only?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) to (d).

M/s Lohia Machines Ltd. Kanpur have applied to the Controller of Capital Issues for permission to issue 13.5% secured, redeemable partially convertible 8,00,000 debentures of the face value of Rs. 125/-each totalling Rs. 10 crores for cash at par on right basis to existing equity shareholders of the company. The debenture issue on right basis is proposed to be made in accordance with the resolution passed by the shareholders at an extraordinary general meeting of the company. The company has so far not been authorised to raise these debentures.

**Committee on Stock Exchange Reforms**

7124. SHRI RAM SAMUJHAWAN : Will the Minister of FINANCE be pleased to state :

(a) whether Government have since received the first and second parts of the Report of the Committee on Stock Exchange Reforms headed by the former UTI Chairman Shri G.S. Patel;

(b) if so, the broad outlines of the recommendations made therein; and

(c) the reaction of Government thereto?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :** (a) Yes Sir. The Government have received **Interim Reports** on the cost of **Public Issues of Industrial Securities** and on the **Listing of Industrial Securities** from the **High Powered Committee on Stock Exchanges** headed by **Shri G.S. Patel**, former Chairman of the **Unit Trust of India**.

(b) The **High Powered Committee on Stock Exchanges** in their **Interim Report on the Cost of Public Issues of Industrial Securities** has made recommendations with a view to achieving both reduction and rationalisation of the cost of public issues of securities. The broad outlines of the main recommendations contained in this Report are the following :

- (i) Whenever a company makes a public issue of securities at a premium of 25% or more no underwriting arrangements should be permitted;
- (ii) rationalisation of rates of underwriting commission, brokerage and managing brokers remuneration;
- (iii) fixing the limit of free supply of application forms and prospectus to the brokers and managers to the issue;
- (iv) inviting applications for securities from the public for a minimum amount of Rs. 1,000 (100 shares of Rs. 10/-each or 10 shares/debentures of Rs. 100/- each.
- (v) reduction in the minimum number of days for keeping open the subscription to public offer of securities from the present requirement of 3 days to 2 days;
- (iv) fixation of overall ceiling on the cost of public issues.

(c) As regards the recommendations contained in the **Interim Report on the Cost of Public Issues of Industrial Securities**, the decisions of the Government have already been taken thereon and suitable instructions have been issued to stock exchanges for implementation of the decisions with which they are concerned. As regards the recommendations contained in the **Interim Report on the Listing of Industrial Securities**, these are under consideration.

**Curtailment in Production Target of Raw Silk During Sixth Five Year Plan Period**

7125. **SHRI JAGANNATH PATTA-NAIK :** Will the Minister of **SUPPLY AND TEXTILES** be pleased to state :

(a) whether there has been any curtailment of production targets fixed for raw silk during the Sixth Five Year Plan period;

(b) if so, to what extent; and

(c) the measures taken by Government to prevent such curtailment of production targets for raw silk in future ?

**THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRASHEKHAR SINGH) :** (a) and (b). After a review of progress achieved in sericultural activities during first three years of VI Five Year Plan by the Planning Commission, the target for production of raw silk for year 1984-85 was reduced from 9005 M. tonnes to 6754 M. tonnes.

(c) For ensuring achievement of targets in future, a comprehensive Plan has been drawn up for development of sericulture during the VII Plan period. In this Plan, emphasis has been laid on activities like production and supply of quality silk worm seed, on growing of mulberry of improved varieties in irrigated lands etc., so that the constraints faced by sericulture industry during the VI Plan are minimised in future.