

Governments and nationalised and scheduled banks to curb private financial institutions in the country as reported in the "Indian Express" of 24 October, 1988;

(b) if so, the steps proposed to be taken in this regard;

(c) whether there is any proposal to stop all kinds of money lending systems by private individuals and private companies and private financial institutions; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). The deposit acceptance activities of unincorporated bodies like individuals, firms etc. are regulated under the provisions of Chapter III-C of Reserve Bank of India Act, 1934. These provisions prohibit acceptance of deposits in excess of the specified number of depositors. The Act also provides for penal action, including fine and imprisonment, against violations of the provisions of the Act. These powers vest concurrently with Reserve Bank of India and State Governments. The Trivandrum Office of the Reserve Bank of India along with the officials of the Government of Kerala have launched action against several unincorporated bodies in Kerala for violations of the provisions of Reserve Bank of India Act.

The Union Finance Minister while inaugurating the Cochin Office of Unit Trust of India on 23rd October, 1988 had inter-alia, requested the State Governments and

Reserve Bank of India to continue their action against such unincorporated companies.

The constitutional validity of Chapter III-C of Reserve Bank of India Act, 1934 has been challenged and the matter is pending in the Supreme Court and is, therefore, sub-judice.

(c) and (d). "Money Lending" is a State subject and are regulated under the respective State Legislations.

Rate of Inflation

1318. SHRI SYED SHAHABUDDIN: Will the Minister of FINANCE be pleased to state:

(a) the monthly rate of inflation at the beginning of each month during the current financial year;

(b) the annual rate of inflation at the beginning of each month during the current financial year as compared to last year; and

(c) the sub-groups in which the annual rate of inflation is higher than the average?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b). A Statement is given below.

(c) The sub-groups in which the annual rate of inflation is higher than the average are given below:—

	<i>Annual Rate of inflation</i>
All Commodities	5.8
Food Articles	10.7
Textiles	8.7
Leather & Leather Products	12.2

	<i>Annual Rate of inflation</i>
Basic Metals, Alloys & Metal Products	18.3
Machinery & Transport Equipment	9.5
Miscellaneous Products	7.2

STATEMENT*Rate of Inflation*

<i>1988</i>	<i>WPI as on first week of Month</i>	<i>Percentage change over previous month</i>	<i>Annual Rate of Inflation</i>	
			<i>1988-89</i>	<i>1987-88</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>
April	418.2	0.4	10.3	4.9
May	423.9	1.4	9.3	6.2
June	423.3	-0.1	7.8	5.6
July	423.5	2.4	8.9	5.4
August	438.3	1.1	8.4	6.3
September	435.0	-0.8	5.8	8.0
October	436.7	0.4	7.0	6.2
November (Latest available)	436.4	-0.1	5.8	7.8

Small Industries Development Bank

1319. PROF. K.V. THOMAS: Will the Minister of FINANCE be pleased to state:

(a) the main duties and responsibilities of the Small Industries Development Bank;

(b) whether there is overlap in the functions of the Bank and of the technical Consultancy Organisations; and

(c) if so, the action proposed to be taken by Government in this regard?

THE MINISTER OF STATE IN THE

DEPARTMENT OF ECONOMIC AFFAIRS
IN THE MINISTRY OF FINANCE (SHRI
EDUARDO FALEIRO): (a) to (c). Govern-
ment is considering to set up a Small Indus-
tries Development Bank of India to cater to
the financial needs of Small scale and they
sector industries, as a subsidiary of the In-
dustrial Development Bank of India. Details
regarding the bank are being worked out.

Overdrafts by Kerala

1320. PROF. K.V. THOMAS: Will the
Minister of FINANCE be pleased to state:

(a) the overdrafts borrowing of Kerala