

Bank under Chapter III B of the Reserve Bank of India Act, 1934. Prize chit companies being deposit taking companies were precluded from accepting deposits in excess of an overall ceiling of 40 per cent of their net owned funds and for periods less than 6 months or more than 36 months. They were also required to submit half-yearly returns in the prescribed form in regard to the deposits held by them and to disclose detailed information about their management, working results, etc. in any advertisement soliciting deposits from the public.

After the enactment of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978, the State Governments have been vested with the authority to administer the provisions of the Act and for this purpose to frame rules in consultation with the Reserve Bank.

As per the figures available with the Reserve Bank, there were 961 prize chit companies as on 31st December 1978, functioning all over the country, and their total deposits aggregated to Rs. 58.3 crores as on 31st March 1978. 87 companies had deposits of more than Rs. 1 lac and the total amount of deposits with them was 51.60 crores as on 31-3-1978.

Under the provisions of the Prize Chits and Money Circulation Schemes (Banning) Act, 1978, promoters of prize chit companies are allowed time not exceeding 2 years for winding up their existing schemes. For this purpose, the promoters have to submit statements of particular and winding up, plans for approval by the concerned State Government. Failure to comply with the provisions of the Act and the rules made there under attracts penalties provided in the Act. Government have no information regarding mis-appropriation of public deposits by any of these companies, such deposits are a matter of contract between the depositors and the companies, and the depositors can take recourse to a court of law for non-fulfilment of the terms of the contract.

पिछड़े क्षेत्रों में उद्योगों की स्थापना के लिए ऋण

641 श्री के० सी० पांडे : क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या पिछड़े क्षेत्रों में उद्योगों की स्थापना के लिये कम ब्याज पर ऋण देने के मामले पर विचार किया जा रहा है;

(ख) यदि हां, तो शहरी और ग्रामीण क्षेत्रों के लिये ब्याज की दरों के बीच अन्तर क्या है; और

(ग) यदि ब्याज की दरों में कोई अन्तर नहीं है तो उसके क्या कारण हैं ?

वित्त मंत्रालय में राज्य मंत्री (श्री जगन्नाथ पहाड़िया) : (क) से (ग). अखिल भारतीय सावधिक ऋण प्रदान करने वाली संस्थाओं द्वारा निर्दिष्ट पिछड़े जिलों में उद्योग स्थापन करने के लिये ब्याज की रियायती दर (9½ प्रतिशत वार्षिक) पर ऋण प्रदान किया जा रहा है जब कि ब्याज की सामान्य दर 11 प्रतिशत है। पिछड़े जिलों में शहरी और ग्रामीण इलाकों के बारे में वसूल की जाने वाली ब्याज की दरों में कोई अन्तर नहीं है क्योंकि सभी पिछड़े जिलों में औद्योगिक एजकों को एक जैसी ही कठिनाइयों का सामना करना पड़ना है चाहे वे इन जिलों के शहरी इलाकों में ही अथवा ग्रामीण इलाकों में।

News-Item Captioned 'RBI Officials Connive—Colossal Loot of Chit Funds'

643. SHRI KRISHNA PRATAP SINGH:

SHRI R. L. P. VARMA:

Will the Minister of FINANCE be pleased to state:

(a) whether his attention has been drawn to a report which published in weekly 'BLITZ' dated the 1st March, 1980 under the heading—'RBI officials connive—Colossal loot of chit funds';

(b) whether he knows that petty shopkeepers, small artisans, labourers widows and low wage earners had invested their life's savings in chit funds schemes which has been swindled by racketeers operating these chits and money circulating schemes;

(c) whether the Reserve Bank of India have received complaints of large scale irregularities in these schemes;

(d) the reasons for which the Reserve Bank officials did not take any punitive action against them; and

(e) the steps Government propose to take against these chit fund schemes and the erring officials of the Reserve Bank of India?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAGANNATH PAHADIA): (a) to (e). The Government have seen the article published in the weekly 'Blitz' dated 1st March 1980 regarding the activities of companies operating prize chits and money circulation schemes.

Before the enactment of the Prize Chit and Money Circulation Schemes (Banning) Act, 1978 the acceptance of deposits by financial and miscellaneous non-banking companies was regulated by the directives issued the Reserve Bank prescribing a ceiling within which such companies could accept deposits and requiring them to disclose all relevant particulars about their management, working results etc. in their advertisements soliciting deposits from the public.

The Reserve Bank is not statutorily empowered by the Reserve Bank Act 1934 to initiate action against such companies or their promoters for offences other than violation of its directions or to compel them to repay the deposits and or to pay interest thereon. The acceptance of deposits is a contract between the depositor and the concerned company and in case of breach of contract redress can be sought in a court of law

The Reserve Bank took action for the violation of its directives against the delinquent companies and their Directors by filing prosecutions and also by prohibiting companies from accepting fresh deposits.

Taking note of these complaints and to guard the interest of unwary public the Prize Chits and Money Circulation Schemes (Banning) Act was passed by Parliament and enforced from 12th

December 1978. The authority to administer the various provisions of the Act has been vested in the State Governments who are required to frame rules in consultation with the Reserve Bank. Punitive action under the Act can be taken against the promoters of prize chits and money circulation schemes for violations of the provisions of the Act.

In the opinion if the Reserve Bank no punitive action was called for against its officers.

Usage of Foreign Brand name 'Erasmic' on Razor Blades

644. SHRI TARIQ ANWAR: Will the Minister of COMMERCE AND CIVIL SUPPLIES be pleased to state:

(a) whether it is a fact that notwithstanding Government prohibiting the usage of foreign brand name 'Erasmic' on razor blades, a multi-national company continue to use it; and

(b) if so, the details of the steps taken/proposed to be taken by Government to make this multinational company to comply with Government's directive?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES & STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) & (b). The Central Government have refused the application to extend the period of registration of Messers Sharpedge Limited, New Delhi, beyond 26th February, 1978 as registered users of trade mark "Erasmic", registered in the name of M/s. Unilever Limited of England. A Writ petition has been filed by the Party before the Bombay High Court and the matter is sub judice.

Malpractice in Air India

645. SHRI SUNIL MAITRA: Will the Minister of TOURISM AND CIVIL AVIATION be pleased to state:

(a) whether it is a fact that according to ICAQ publication expenditure on commercial staff is as high as 50