

(a) whether there is a shortage of coins in the country, particularly in Bombay, Madras, Delhi and other metropolitan cities ;

(b) if so, whether it is a fact that Government have discontinued minting of coins of denominations of one paisa two paisa, and three paisa ; and

(c) if so, the efforts of Government to meet shortage of the small coins in the country ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Complaints of shortage of small coins are being received in certain parts of the country including some Metropolitan cities.

(b) Government have already discontinued minting of 1, 2 and 3 paise coins.

(c) Owing to constraints in the capacity of the 3 Mints located at Bombay, Calcutta and Hyderabad, it has not been possible fully to meet the requirements of small coins. However, steps are being taken to increase production in the three Mints to meet the growing requirements of coins. An incentive scheme had been introduced in the Bombay Mint with effect from 28th December, 1981 as a result of which there has been an increase of about 70 per cent in the production of coins.

The incentive scheme has also been introduced in the Hyderabad Mint with effect from 8th, April, 1983 and in the Calcutta Mint with effect from 4th July, 1983 which has resulted in an increase of over 50 per cent in the production of coins in both the Mints. The number of working hours per week per shift have been increased from 48 to 54. Similarly, the number of working days is also being increased to the extent possible under the provisions of the Factories Act. New coining presses have been ordered for the Hyderabad Mint to strengthen coining capacity. The 20-paise coin had also been re-introduced so as to reduce the demand for ten paise coins. As a result of these measures, it is expected

that production of coins will be at least about 950 million pieces in 1983-84 against 660 million pieces in 1982-83.

Besides, long-term measures like introduction of additional shifts wherever possible are under consideration.

#### Setting up of Securities Commission to Monitor Stock Market

1146. SHRI B.V. DESAI :

SHRI M.V. CHANDRASHEKARA MURTHY : Will the Minister of FINANCE be pleased state ;

(a) whether it has been pointed out that a vigil on shares should be kept to save companies and also it has been suggested that securities commission be set up to monitor the stock market and forestall any destabilisation attempts that are being made in regard to the investment by non-resident Indians ;

(b) what are the other steps Government propose to take to reduce the trend ; and

(c) to what extent this will affect the Indian economy and also Indian companies ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) Concern has been expressed in some quarters that the facility of liberalised scheme for portfolio investment granted to non-residents of Indian nationality/origin and to overseas corporate bodies owned to the extent of at least 60 per cent by such non-residents might be misused to destabilise the Indian companies.

Suggestions have also been made in some quarters that a Securities Commission be set up to supervise the operations on Stock Exchanges. However, Government have not so far received any specific suggestion regarding the setting up of a Securities Commission.

(b) and (c) The intention behind the liberalised scheme of portfolio investment

for non-resident investors is to encourage them to invest in shares of Indian companies with a view to earning long-term returns with capital appreciation and not to permit speculative take-overs of these companies by them. Recently, an overall ceiling of 5 per cent of the total equity capital of the company and 5 per cent of each series of convertible debentures issued by the company on investment under the liberalised scheme for portfolio investment has been imposed by the Government. This will prevent misuse of the facilities given to non-resident investors for portfolio investment.

Further corrective measures can be taken as and when needed. Investment by non-resident Indians in Indian Companies subject to the limits announced is expected to have a beneficial effect on the Indian economy in general and Indian companies in particular as it will not only lead to an increase in the inflow of foreign exchange but will also help to tone up the capital market, and facilitate the participation of the investment and technological resources of non-resident Indians in the industrial development of the country.

#### C.B.I. Raid in a Colonel's House in New Delhi

1147. SHRI B.V. DESAI :

SHRI GHULAM RASOOL SHA  
KOCHAK :

SHRI RAM SINGH AKYA :  
Will the Minister of DEFENCE be pleased to state ;

(a) whether it is a fact that on 6th July, 1983 C.B.I. raided the house of a Colonel Commanding Officer of the ASC unit in New Delhi and seized jewellery cash and shares worth crores of rupees ; and

(b) the documents seized on the occasion and the action taken by Government to check the corruption and mal-practices in the Defence ?

THE MINISTER OF STATE IN  
THE MINISTRY OF DEFENCE (SHRI  
K.P. SINGH DEO) : (a) and (b) Yes, Sir,  
C.B.I. raided the house of the Commanding

Officer of an A.S.C. Unit and seized documents concerning plots, bank balance, shares and debentures in companies and jewellery-all worth about Rupees four lakhs.

The case is still under investigation with the C.B.I.

#### Bank Frauds

1148. SHRI B.V. DESAI : Will the Minister of FINANCE be pleased to state :

(a) whether it is a fact that a large number of bank frauds have been detected during the month of June, 1983 ;

(b) if so, whether it is also a fact that earlier to this period when a number of bank frauds and robberies had taken place, Government had assured that prompt action will be taken ;

(c) if so, whether due to the increasing number of frauds made in June, 1983 Government have not been taking serious steps to check them ; and

(d) if so, the other steps Government propose to take to deal with the situation ?

THE DEPUTY MINISTER IN THE  
MINISTRY OF FINANCE (SHRI JANARDHANA  
POOJARY) : (a) to (d) As reported by 28 public sector banks to Reserve Bank of India, there were 1891 and 2065 cases of bank frauds in 1981 and 1982 respectively. The information regarding the bank frauds committed in the month of June 1983 is not readily available.

The Government and the Reserve Bank have asked the public sector banks to strengthen their vigilance machinery and to take adequate steps both punitive and preventive for minimising the cases of fraud. The banks have also been asked to strengthen the control mechanisms, including the internal audit/inspection machinery and make them effective so as to eliminate scope of frauds and malpractices and to taken note of warning signals like non-submission of or irregular submission control