

Promotion and other Facilities for Employees of Rural Banks

4720. SHRI SATYANARAYAN JATIYA : Will the Minister of FINANCE be pleased to state the policy regarding the promotion, house building loan, key allowance and leave travel concession in respect of the employees of the Rural Banks and the position of implementation thereof ?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): With effect from 1-7-1984 the Government have asked the Regional Rural Banks to pay cash and key holding allowance to clerk-cum-cashier who is entrusted with the joint custody of the key at the rate of Rs. 30/- per month. A scheme for house-building loans for Regional Rural Bank employees has recently been evolved in consultation with National Bank for Agriculture and Rural Development (NABARD). As regards Leave Travel Concession (LTC) Regional Rural Banks have been allowed to extend it to their employees strictly in accordance with the Scheme prevalent in the State Government. The Regional Rural Banks are at present giving promotion to their employees in accordance with the policies formulated by their respective Board of Directors.

Raising of Money by Public Sector Limited Companies By Issuing Equity Shares/ Non-Convertible Debentures.

4721. SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether some public sector Limited Companies like DCM, Toyota, Reliance Textiles, East India Hotels Ltd. and some others have raised some crores of rupees by issue of equity shares/ non-convertible debentures ;

(b) whether any limit is fixed upto which the promoters/Directors can hold the equity capital/debentures out of the total issue, if so, the limit thereof ;

(c) whether these capitalists mostly use such issues for ploughing into them their hidden wealth and get tax holiday for new industrial units ; and

(d) the checks that are being exercised by Government over the investments by these Houses in these ventures in the form of allotting to themselves their relations and others a good chunk of the share and thus retain their majority share-holding and voting power ?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE) : (a) The companies referred to have raised capital by issue of equity shares/non convertible debentures, however, they are not public sector companies.

(b) to (d) : According to the administrative guidelines governing the listing of securities on recognised Stock Exchanges, the share of the Indian promoters in the issues of new companies shall not be more than 40% of the issued capital of the company. However, if the minimum percentage of the total cost of the project required to be subscribed by the promoters due to either a stipulation by the Financial Institutions or the provisions of the MRTP Act exceeds this permissible level of 40%, the promoters will be permitted to subscribe to a higher percentage of equity shares subject to ceiling of 70% during the initial stages of the project to match the required level of promoters contribution. This is subject to the condition that the equity holding by the promoters above the permissible level of 40% will have to be divested by an offer of sale to the general public within a period of 3 years from the date of commercial production unless the company obtains extension from the Government. As regards tax holiday for new Industrial units, it is governed by the provisions of the I.T. Act, 1961 and is not in any way directly connected with investments by the promoters or the public.