

Overdrafts by States

3487. SHRIMATI SAVITRI SHYAM
SHRI S. M. BANERJEE :

Will the Minister of FINANCE be pleased to state ;

(a) whether Government have issued directions to the Reserve Bank of India to stop payment of over-drafts to State Governments;

(b) if so, the reasons therefor; and

(c) whether any alternative scheme has been formulated to help the States to meet their financial difficulties and if so, the salient features thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) to (c). The Government of India have been urging the State to keep their financial position under constant review, to contain their plan and non-plan expenditure within the available resources and to avoid recourse to overdrafts. Discussions have already been held with the States having overdrafts on the Reserve Bank. The concerned State Governments had in these discussions agreed to initiate suitable measures to reduce the overdrafts, including economies in non-plan expenditure and mobilisation of additional resources. The present overdrafts of States have resulted entirely from the fact that they have accepted expenditure commitments, both on plan and non-plan account, far in excess of available resources.

It has been decided that States will not be permitted to regard overdrafts on the Reserve Bank of India as a kind of budgetary resource. The State Plan outlays for the current year have been fixed on a fully financed basis. All future operations would, therefore, have to be on a self-financing basis and a balance would have to be maintained between the flow of resources and expenditure. Under the procedure which has now been worked out in consultation with the Planning Commission and the Reserve Bank, in case any State Government has an overdraft continuously for seven days, the Reserve Bank would auto-

matically suspend payments which will be resumed only when the overdraft disappears.

Companies in which Shares are held by Nationalised Banks

3488. KUMARI KAMLA KUMARI:
Will the Minister of FINANCE be pleased to state:

(a) the names of the Companies in which shares are held at present by nationalised banks and the amount of shares held, and

(b) the amount of loans given to these Companies by these Banks since nationalisation ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : (a) In accordance with the practice and usage customary among bankers and also in conformity with the provisions of the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1970, information relating to its constituents is not divulged. The nationalised banks' investment in shares of companies in the aggregate was Rs. 1805 lakhs (originally) as on 31st March 1971.

Since nationalisation, nationalised banks do not generally invest in the shares of companies, excepting in such bodies as are promoted by public sector organizations. Besides the investment made by them in the shares prior to nationalisation, nationalised banks hold shares generally as collateral security against cash credit limits for companies or for advances against pledge of shares

(b) As holding of shares by banks charges from day to day, the amount of loans given to the companies whose shares are held by banks on a particular date is not readily available. The same will be collected to the extent possible and laid on the Table of the House. Names of companies, however, cannot be divulged for reasons mentioned in (a) above.

मध्य प्रदेश में भायकर की बकाया राशि

3489. श्री कूलचन्द बर्मा: क्या वित्त मंत्री यह बताने की कृपा करेंगे कि: