

(a) the details of overdrafts by the various States from the the Reserve Bank of India as on 1st November, 1970 ;

(b) whether Government have reviewed the budgetary position of the States ;

(c) the action, if any, taken to curb tendencies of the State Governments to resort to overdrafting frequently ; and

(d) the reaction of the State Governments in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA) : (a) A statement is laid on the Table of the House.

(b) Review of budgetary trends in the States is a continuing process.

(c) and (d). The State Governments concerned have been urged to review their budgetary position and to make adjustments in their expenditure outlays, both on Plan and non-Plan account, in order that no overdrafts remain at the end of the year.

Statement

Overdrafts of State Government (as on 2nd November, 1970*)

	(Rs. in crores)
Andhra Pradesh	43.56
Bihar	1.32
Kerala	8.76
Mysore	0.60
Rajasthan	44.33
Tamil Nadu	12.06

Financial Assistance to Gujarat

2662. SHRI P. M. MEHTA : Will the Minister the of FINANCE be pleased to state :

(a) whether the Chief Minister of Gujarat has expressed his views regarding shifting of about 100 villages and even cities like Broach which have to face the fury of floods ; and

(b) if so, whether the Central Government propose to reduce this burden by financing interest free loan to the State ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA) : (a) and (b). The Government of India have not received any communication of the nature referred to in the Question, from the Government of Gujarat. However, the Central team which had visited the State recently for an assessment of the flood situation and the requirement of funds for various relief and rehabilitation measures, was given a memorandum by the State Government proposing, *inter alia*, the shifting of about 200 villages to new sites which would be free from floods. The report of the Central team is awaited,

Voting Rights to Nationalised Banks in respect of Shares Pledged by them

2663. SHIR S. KUNDU :

SHRI RAM AVATAR SHARMA :
SHRI G. VENKATASWAMY :

Will the Minister of FINANCE be pleased to state :

(a) what is the latest position regarding the proposal to convert loans to equity and the proposal to give voting rights to the nationalised banks in respect of shares pledged with them ; and

(b) when these proposals will be given effect to and in what forms ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA) : (a) and (b). Detailed operational arrangements necessary to give effect to the decision of the Govern-

(* Information as on 2nd November, 1970 has been furnished as 1st November, was a holiday.

ment requiring the public financial institutions to exercise option for converting loans given by them into equity are under active consideration of the Government.

As regards voting rights in respect of shares, a directive has been issued by the Reserve Bank of India to all the commercial banks including the nationalised banks on 28th August, 1970 which, *inter alia*, stipulates that shares pledged for advance limits over Rs. 50,000/- should be got transferred to the bank's name and it should have exclusive voting right in respect thereof. The Government are examining in consultation with the Reserve Bank of India the question of devising a machinery to ensure that the exercise of voting right by the banks and the public financial institutions like L.I.C. and U.T.I. which hold shares in their investment portfolios follows a uniform and consistent pattern.

Although it is not possible to lay down any time limit, every effort is being made to finalise the aforementioned arrangements as early as possible.

India's Foreign Exchange Reserves

2664. SHRI HEM BARUA : Will the Minister of FINANCE be pleased to state :

(a) whether India's foreign exchange reserves are of late depleted ; and

(b) if so, the steps Government have taken to strengthen our foreign exchange reserves ?

THE MINISTER OF REVENUE AND EXPENDITURE (SHRI VIDYA CHARAN SHUKLA) : (a) No, Sir.

(b) Does not arise.

Nationalisation of Small Banks

2665. SHRI BENI SHANKER

SHARMA : Will the Minister of FINANCE be pleased to state :

(a) whether the desirability of nationalising small banks has been considered ; and

(b) if so, with what results ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA) : (a) and (b). The small banks cater mainly to the needs of small borrowers and local clientele. Also, the limited geographical coverage and the lack of administrative personnel and managerial resources would make it difficult to gear them up to serve national objectives. Having regard to these, Government have considered that it is not worthwhile to nationalise the small banks.

Accommodation for Incometax Officers at Calcutta, Bombay and Delhi on transfer

2666. SHRI BENI SHANKER SHARMA : Will the Minister of FINANCE be pleased to state :

(a) the number of quarters needed in Calcutta, Bombay and Delhi for housing the Income-Tax Officers and Assistant Commissioners sent on transfer ;

(b) the number of officers who have been given accommodation and the number of those whose requests are pending at present ; and

(c) the steps taken to meet the shortage ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA) (a) to (c). The information in regard to Delhi and Bombay is given in the enclosed statement.