

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.