

done. When the proposals come from the department for a particular pattern of staff, then the Staff Inspection Unit goes into this question and says that such a strength is not required and it cuts it down. Therefore, it is not that after they are appointed, the posts are reduced; even before they are appointed, the Staff Inspection Unit goes into the question whether there is any need for the number of staff members as requested and then it cuts it down. This figure includes all those which have been cut down like this.

About the Centrally sponsored schemes, only last year, they were transferred to the States and a study will reveal the reduction in staff that would occur as a result of the transfer.

Working of Chit Funds and Financial Institutions in Gujarat

*244. SHRI MAGANBHAI BAROT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the working of Chit Funds and such other Financial Institutions have fraudulently deprived thousands of depositors of their life long savings running into crores of rupees in Gujarat;

(b) if so, what action the Government has taken or propose to close such Financial Institutions or to take them over as well as to give refund of money to depositors of their life long savings; and

(c) the action taken or proposed to be taken against the defaulters and such other persons who are engaged in such deals?

THE MINISTER OF FINANCE (SHRI R VENKATARAMAN): (a) to (c) A statement is laid on the Table of the House.

STATEMENT

In respect of companies conducting prize chit business, the Reserve Bank has reported that some complaints

were received by them against such companies operating in Gujarat alleging non-disbursement of prizes and non-payment of subscriptions etc., under the schemes floated by them.

The conduct of prize chit schemes has been banned under the Prize Chits and Money Circulation Schemes (Banning) Act, 1978 with effect from 12th December, 1978. With the commencement of the Act, the power to take action for infringement of its provisions now vests with the State Governments.

So far as regulation of Conventional Chief Funds are concerned, the matter is under consideration of the Central Government.

SHRI MAGANBHAI BAROT: I would like to know whether some of these Chit Fund Companies and particularly one of them viz., Rajnikant Shroff & Company is enlisted in the list of companies which have not paid income-tax in respect of their transactions, and what steps are being taken against this company as well as similar other companies which are taking money from the public in the name of deposits, making use of it in any manner they like, not subjecting themselves to income-tax and thus defrauding the people.

SHRI R VENKATARAMAN: In respect of any single company or a particular company, I would require notice. But in respect of general policy, I can answer the question. If it is a prize chit company, then the Act passed in 1978 banning the prize chits will apply to that and it must be wound up. The Act has come into force from December 1978 and the State Governments have been asked to take actions in pursuance of this Act. Therefore, if it were a conventional chit company, there is no law regulating conventional chit funds, but the Government proposes to bring forward a legislation to control the conventional chits also.

SHRI MAGHANBHAI BAROT: In spite of what the law, according to

him, is and whatever may be, the directions to the State Governments, these companies are not only pursuing their own methods and modus operandi, but advertisements also appear in the dailies everyday, asking for deposits, big functions are being held and such things are going on right under the nose of the Government. Since the Central Government is ruling Gujarat now, can immediate action be expected from the Minister?

SHRI R. VENKATARAMAN: Again, I would like to know whether the hon. Member refers to prize chit fund or conventional chit fund. If it is to prize chit fund, it was banned under the law which we had enacted in 1978. If he gives particulars about any person violating the Act, then we will take action. If it is a conventional chit fund, the law has to be enacted.

SHRI MAGANBHAI BAROT: My Question was about conventional ones, not about the prize chit funds. They are cheating the people and, day in and day out, the advertisements are coming in the newspapers.

SHRI R. VENKATARAMAN: I have had a lot of difficulty in finding an answer to this Question because the hon. Member did not put in this Question that it relates to conventional chit funds. We had to work till late last night. If we had put in the Question clearly about the conventional ones, we would not have been put to that much difficulty.

SHRI E. BALANANDAN: May I know whether the hon. Minister is aware that the Sudarshan Chit Fund are not paying money in time to thousands of its subscribers and they are facing a crisis and whether the hon. Minister knows that the workers are on strike, that they are demanding, among other things, the prompt payment to the customers and, if so, what steps the Government propose to take?

SHRI R. VENKATARAMAN: Again, I think this is a conventional chit fund. I want to know, is it a conventional chit fund or a prize chit fund?

SHRI KRISHNA CHANDRA HALDER: Why should you put a question to him? He has put a question to you.

SHRI R. VENKATARAMAN: The law is different. Therefore, I want to know whether it is a conventional one or a prize chit fund. If it is a conventional chit fund, as I said, the law has to be enacted.

PROF. NARAIN CHAND PARASHAR: May I ask a supplementary specifically regarding the prize chit funds? The hon. Minister has stated that the State Governments were asked to take action according to law which banned the operation of these prize chit fund companies. May I know when it was written to the State Governments and whether any action has been taken by any State Governments and, if so, what are those States?

SHRI R. VENKATARAMAN: I thank the hon. Member for the question which enables me to give the correct position. A member of companies have filed writs in several High Courts challenging the validity of the Prize Chit Fund Act passed by Parliament. The Government is moving the Supreme Court to consolidate all these appeals and hear once and for all also so that there may be a finality of decision.

SHRI SOMNATH CHATTERJEE: The hon. Minister has said about the proceedings taken in different High Courts. May I know whether the hon. Minister is aware about the nature of the complaints made in those writ petitions, whether the *vires* of the law has been challenged or whether it has been contended by several of the companies that they do not come within the ambit of this Act but the Act is sought to be applied to them?

May I also know from the hon. Minister whether he has got the figures, that is, if this ban is imposed, how many employees or persons connected with these companies will be affected because in Peerless, a well-known concern, which employs or engages about 2 lakhs of people, a very serious human problem would be created and unemployment would be further increased, whether any attention has been paid by the Government to this aspect, and, if so, what is the Government's line of thinking?

SHRI R. VENKATARAMAN: As regards the first question, the validity has been challenged on several grounds. Some have challenged the *vires* of the law and others have questioned the applicability of the law to their particular case. There are a number of other points which they have raised.

As regards the number of people employed, I would require notice. I have no information at present. But I wish to inform the House that there was such an amount of cheating going on in the name of prize chit funds that the entire House demanded that some such regulation is required.

SHRI SOMNATH CHATTERJEE: You please regulate instead of imposing a total ban.

SHRI R. VENKATARAMAN: Actually, the prize chit fund is a lottery and, therefore, it was decided that it would not be proper to allow this kind of a lottery to go on.

SHRI CHIRANJI LAL SHARMA: In view of the fact that such companies which are operating all over the country are defrauding the people, will the Government consider the desirability of bringing in a legislation completely banning them?

SHRI R. VENKATARAMAN: Again, I am in a difficulty, whether he refers to conventional ones or the prize chit funds. About conventional chit funds, I said that I

will be bringing in the necessary legislation.

Stock position of Coal and Iron Ore in each Steel Plant

*245. **SHRI KRISHNA CHANDRA HALDAR:** Will the Minister of STEEL AND MINES be pleased to lay a statement showing:

(a) the latest stock position of coal and iron ore in each steel plant throughout the country, whether in the public or private sector separately; and

(b) what steps Government are going to take for improving the position?

THE MINISTER OF COMMERCE, AND CIVIL SUPPLIES AND STEEL AND MINES (SHRI PRANAB MUKHERJEE): (a) and (b): A statement is laid on the Table of the House.

Statement

(a) The latest available stock position of coking coal and iron ore in the integrated steel plants is given below:—

	(in '000 tonnes)		
	Coking Coal	Iron Ore	
		(as on 25.3.80)	Lumps
		(as on 15.3.1980)	
Bhilai Steel Plant	49.4	235	154
Durgapur Steel Plant	16.9	44	23
Rourkela Steel Plant	14.2	55	58
Bokaro Steel Plant	39.3	25	81
IISCO	8.8	61	.

As regards TISCO the position is as under:

	(in '000 tonnes)	
	Coking Coal	Iron Ore
	(as on 25.3.1980)	(as on 18.3.1980)
	24.2	65