

Increase in Deposits with Non-Banking Corporate Sector

*142. SHRI HARI KISHORE SINGH: Will the Minister of FINANCE be pleased to state:

(a) the reaction of Government to the reported alarming increase in the deposits with the non-banking corporate sector;

(b) whether Government propose to implement the recommendations of the Raj Group in this regard;

(c) if so, to what extent; and

(d) whether there is any time schedule for this?

THE MINISTER OF STATE IN-CHARGE OF THE DEPARTMENT OF REVENUE AND BANKING (SHRI PRANAB KUMAR MUKHERJEE): (a) to (d). In formulating its recommendations, the Study Group on Non-Banking Companies, set up by the Reserve Bank of India has observed that there is evidence to show that the dependence of non-financial companies on deposits has tended to increase. Government are in agreement with the broad approach of the Study Group that (a) acceptance of deposits by non-financial companies may not be prohibited altogether but it should be discouraged and reduced in due course, avoiding at the same time disruption of the productive process, and (b) the ultimate objective should be to discourage further growth of these deposits and to roll them back gradually so that they would cease to be a significant source of finance to industry and trade.

All the main recommendations of the Study Group have been accepted and taken in hand for early implementation. Some of the recommendations would involve legislative action and every effort is being made to ensure speedy implementation.

SHRI HARI KISHORE SINGH: May I know from the Government whether

this alarming increase in the non-banking companies deposits is the result of the efforts made to escape the financial discipline sought to be enforced through the Reserve Bank and thus diluting the effects of those policies?

SHRI PRANAB KUMAR MUKHERJEE: Firstly, it is not increasing in alarming proportion. By end of March the credit growth was 16 per cent. In 1972 it was 9.7 per cent, in 1975 it is 11 per cent. If we talk in absolute terms, now it is of the order of 1300 crores of rupees whereas deposits in the national commercial banks are Rs. 13,000 crores.

Secondly about the diluting effect of deposits in the non-banking companies and financing companies, there too we are taking certain measures. For example if the companies want to met their marginal requirements by raising deposits through these companies, when the commercial banks fix the limit of the credit to be given to that particular concern they take into account all the money raised by them. In this process also, apart from that, in order to protect the interests of the depositors, Reserve Bank's directions are there to see that when they issue application form or advertisement, they explain in clear terms about the financial position of that particular company.

SHRI HARI KISHORE SINGH: May I know to what extent the deposits with the non-banking financial institutions have been used for speculative purposes?

SHRI PRANAB KUMAR MUKHERJEE: It is very difficult to quantify the percentage in absolute terms for speculative purposes. But Government have taken all measures to see that the deposits utilised for speculative purposes are curbed to the maximum possible extent.

SHRI S. R. DAMANI: May I know from the honourable Minister to what extent the depositors amounts are being used for productive purposes and also I would like to know whether it is less costlier than the bank finances?

SHRI PRANAB KUMAR MUKHERJEE: It would be difficult for me to exactly quantify. In the text of the main answer I have already indicated that we have taken measures to reduce it. At the same time we see that the production process is not disrupted and there is no denial of the fact that it contributes to the production process of the country.

SHRI C. K. CHANDRAPAN: In view of the fact that Government has enforced measures to curb credit to anybody for that matter from the bank may I know whether it is not an attempt by big companies to sottle the credit policy of the Government by way of offering bigger interests and attracting money from the public and then using it for making more profits by way of speculation taking that into account, would Government come forward with immediate measures so that this kind of step will be prevented?

SHRI PRANAB KUMAR MUKHERJEE: Already I have indicated that so far as the diluting effect on selective credit policy is concerned, there is no danger because certain limitations are there on the mobilisation of deposits. They cannot go beyond 25 per cent of paid-up capital etc. Certain conditions are there. They have to comply with the directives of the RBI issued from time to time. They have to explain their financial position in advertisements to those people who make deposits and they take the risk. Some risk element is there and that also is contributing as discouragement in the matter of deposits in these non-banking companies. So, the selective credit policy pursued by Government is not frustrated as a result of this, because when we fix the limit for

the companies concerned, we take into account the money realised by them by these methods.

फर्मों और व्यक्तियों पर आयकर को बकाया राशि

* 144. श्री शंकर दयाल सिंह : क्या बिस्स मंत्री यह बताने की कृपा करेंगे कि :

(क) देश में ऐसे कौन-कौन से व्यक्ति अथवा फर्म हैं जिन पर आयकर की 50 लाख रुपये से अधिक की राशि बकाया है ;

(ख) उन में से प्रत्येक पर आयकर की कितनी-कितनी राशि बकाया है और

(ग) सरकार का उक्त राशि वसूल करने के लिये क्या कार्यवाही करने का विचार है ?

THE MINISTER OF STATE IN-CHARGE OF THE DEPARTMENT OF REVENUE AND BANKING (SHRI PRANAB KUMAR MUKHERJEE): (a) and (b). The effort involved in collecting the information asked for may not be commensurate with the results likely to be achieved. However if the Hon'ble Member wants to have information regarding income-tax arrears outstanding against any particular person or firm, the same can be collected and furnished.

(c) Such of the steps provided in the Income-tax Act, 1961, as are appropriate to the circumstances of each case, are taken for effecting recovery of outstanding arrears.

श्री शंकर दयाल सिंह : अध्यक्ष महोदय, प्रश्न का उत्तर तो आया नहीं है इसलिए अनुसूचक में क्या पृष्ठ समझ नहीं पाता, लेकिन जानना चाहता हूँ कि क्या ऐसे व्यक्तियों में कुछ ऐसे भी हैं जिन्होंने म्बेच्छा से काले धन का एनाउसमेंट किया और दूसरे यह जानना चाहता हूँ कि सरकार क्या कोई समय सीमा निर्धारित करेगी कि कब तक