decission to do away with this practice.

Funds for Investment in Shares

6450. DR. SHRIKANT RAMCHANDRA JICHKAR: Will the Minister of FINANCE be pleased to state:

(a) what are the names of the nationalised banks that have introduced activities to garner funds for investments in shares in joint stock complanies listed in the stock exchange;

(b) what is the estimated amount of their investment as on date;

(c) whether these activities are administered by the banks themselves;

(d) what are the liabilities of these banks in case of mismanagements of funds; and

(e) whether these funds are audited by Chartered Accountants?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) State Bank of India, Bank of India, Canara Bank, Punjab National Bank and Indian Bank are the public sector banks that have been permitted to collect funds through Mutual Funds for investment in the shares of joint stock companies listed in the Stock Exchanges.

(b) The estimated amount of their investment as on 31.03.1993 as reported by the Reserve Bank of India (RBI) was Rs. 5953.5 crores.

(c) and (d) The banks are not permitted to administer these activities themselves. In terms of SEBI (Mutual Fund) Regulations 1993, banks are required to set up Asset Management Companies (AMC) for managing the investments of the Mutual Funds. The Asset Management Companies are independent corporate entities under the Companies Act with a separate Board of Directors.

(e) The accounts of the Mutual Funds are required to be audited by Chartered Accountants under Regulation 53 of SEBI (Mutual Fund) Regulations 1993.

Credit Policy Adopted by R.B.I.

6451. SHRI TULASIDAS MAJI:
DR. SHRIKANT RAMCHANDRA JICHKAR:

Will the Minister of FINANCE be pleased to state:

(a) what are the details of the present credit policy adopted by the RBI;

(b) what would be the overall effect of the credit policy on the production sector; and

(c) whether restraint in the expansion of money supply will still continue; and if so, for how much time?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) Reserve Bank of India (RBI) announced the Credit Policy for the second half of 1993-94 on October 11, 1993. The overall objective of the Credit Policy was to ensure that adequate support was provided by banking sector to the revival of output. Keeping in view the fact that the lendable resources of the banking system had increased significantly measures were taken to enhance credit facilities for borrowers so as to ensure that inadequate credit did not hinder the growth of the economy. The Credit Policy laid emphasis on the need for banks to meet the genuine and felt credit requirements of borrowers. Banks were urged to ensure that the delegated credit sanctioning powers were duly exercised and it was emphasised that the hesitancy of banks in taking credit decisions needed to be overcome. Some of the major measures taken by RBI in the Credit Policy announced in October, 1993 were reduction in Statutory Liquidity Ratio (SLR), modifications in the Export Credit Refinance facilities, changes in the composition of priority sector lending allowing greater discretion to banks in