

States Government; opposition to extension of any loan by international financial institutions; prohibition on lending by any United States bank to the Government of India; and prohibition on exports of dual use goods and technology, particularly those relating to nuclear and missile development. The Indian economy had shown the resilience to withstand the impact of economic sanctions imposed by the United States. It is, however, expected that lifting of these restrictions will help enhancing trade and collaborative efforts in high technology areas with the United States.

Irregularities in Mortgaging KVP and IVP

211. SHRIMATI VANGA GEETHA:

DR. Y. LAKSHMI PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) what are the details of branches of different Mumbai based nationalised banks wherein irregularities in mortgaging "Kisan Vikas Patras and Indira Vikas Patras" have been located by RBI, CBI and Ministry of Finance during the preceding three months;

(b) whether it is a fact that verification of genuineness of these Vikas Patras was not got done through issuing Post Office; and

(c) if so, details of the action taken against officers responsible therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) The information is being collected and will be laid on the Table of the House.

Protection of Small Investors' Interest

212. SHRI BHAGATRAM MANHAR:

SHRI RAJU PARMAR:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item titled "Centre to safeguard needs of investors" appearing in Asian Age, New Delhi on 24th October, 2001;

(b) if so, what steps Government have taken or propose to take to safeguard the interest of small investors;

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(c) whether Government are aware that many companies have duped small investors during the last one decade; and

(d) if so, what action has been taken against the defaulting companies for duping small investors?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.

(b) Department of Company Affairs (DCA) has issued a notification amending the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001 to, *inter-alia*, provide for issue of notices either under registered post or under certificate of posting and with an advertisement in newspapers to this effect. The Government and the regulatory bodies concerned have issued detailed guidelines for disclosure, capital adequacy prudential norms, compliance with regulatory norms etc. The Companies Act, 1956 was amended to establish a fund called the "Investor Education and Protection Fund." The Rules for the Fund have been notified on 1st October 2001. Section 274 of the Companies Act has been amended and a new provision made in the Companies (Second Amendment) Bill, 1999, whereby a director of a public company which fails to file annual accounts and returns for any three continuous financial years or to repay deposits will not be eligible to be a director in a public company for five years, besides facing prosecution etc.

(c) and (d) It had come to the notice of the Securities and Exchange Board of India (SEBI) that certain companies were not complying with the requirements of listing agreements and were also not available at their registered offices after making public issues. SEBI has issued orders against defaulting companies and their directors / promoters prohibiting them from raising funds in the capital market, dealing in securities and associating with any of the intermediaries in the capital market, for a period of five years. DCA has intimated that 26 companies are under liquidation; 2 companies have been seized by the State Governments concerned; prosecution proceedings have been launched against 135 companies for non-filing of statutory documents; and default notices have been issued against 2 companies.

Reduction in interest rate on loan to Cooperative Sector

213. SHRI K. RAHMAN KHAN:

PROF. A LAKSHMISAGAR:

Will the Minister of FINANCE be pleased to state:

(a) whether considering serious drought situation in southern areas of the