

**PRIVATE MOTOR FINANCING
COMPANIES IN DELHI**

1009. SHRI SHYAMLAL YADAV: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that private motor financing companies have been indulging in malpractices;

(b) if so, the steps taken to stop those malpractices; and

(c) the number of such companies functioning in Delhi?

THE MINISTER OF FINANCE (SHRI Y. B. CHAVAN): (a) Reserve Bank has reported that complaints received relate mostly to non-payment of deposits or interest thereon by hire-purchase finance companies.

(b) By virtue of the powers vested in the Reserve Bank under Chapter in B of the Reserve Bank of India Act, 1934, certain directions have been issued by the Reserve Bank to hire-purchase companies in terms of which they are required to maintain certain minimum percentage of the deposits in the form of liquid assets. They have also to ensure a minimum recovery performance in each half year in respect of their hire-purchase advances. These directions, *inter-alia*, prohibit these companies from accepting short-term deposits. They are also required to disclose their financial position in any advertisements they may issue for soliciting deposits; with effect from 1st April, 1973, they can accept deposits only on application forms containing such information. While the directions issued by the Reserve Bank are concerned with the regulation of deposit acceptance activities of hire-purchase companies, the Banking Commission has made certain recommendations for the licensing of hire-purchase institutions and for their orderly growth. These recommendations are under the consideration of the Government.

(c) This information is being collected and will be laid on the Table of the House.

**HANDING OVER OF DISTRIBUTION
OF PERMITS FOR QUOTA-GOODS
IMPORTED FROM INDIA TO NEPAL**

1010. SHRI G. R. PATIL:

SHRI M. S. ABDUL KHADER:
SHRI RAM SAHAI:

Will the Minister of COMMERCE be pleased to state:-

(a) whether it is a fact that the Government of Nepal have demanded that the entire distribution of permits for "quota goods" imported from India, be handed over to it;

(b) if so, the reasons assigned therefor; and

(c) whether any modifications are contemplated in the Trade and Transit Treaty of 1970 with Nepal in this regard?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI A. C. GEORGE): (a) and (b) Supply to Nepal of those Indian commodities which are in short supply in India itself, is regulated by a quota system. Most of these quotas are at the disposal of His Majesty's Government of Nepal. A small percentage of the quotas of some items is allocated by the Embassy of India at Kathmandu to those people who approach the Embassy directly.

His majesty's Government of Nepal have requested that the supply of all the quota commodities may be channelised through them. This, according to His Majesty's Government of Nepal will better suit the present developmental needs of Nepal.

The matter will be discussed with His Majesty's Government shortly.

(c) No, Sir.