

The measures detailed in (a) are pursuant to the Government's concern that bank advances should not outstrip the genuine requirements of the economy.

AMENDMENT TO RULES FRAMED UNDER
MONOPOLIES AND RESTRICTIVE TRADE
PRACTICES ACT

348. SHRI K. L. N. PRASAD: Will the Minister of Company Affairs be pleased to state:

(a) whether Government propose to amend the rules framed under the Monopolies and Restrictive Trade Practices Act;

(b) if so, the reasons therefor;

(c) whether it is a fact that as a result of the proposed amendment of the rules 1300 companies will come under the category of dominant undertakings and inter-connected undertakings; and

(d) how many companies have so far registered their names with the Company Affairs Department as provided under the rules?

THE MINISTER OF COMPANY AFFAIRS (SHRI K. V. RAGHUNATHA REDDY: (a) and (b) Some amendments to the Monopolies and Restrictive Trade Practices Rules, 1970, seeking:

(i) to prescribe procedure for registration of restrictive trade agreements; and

(ii) to simplify the Forms relating to application for expansion, setting up of new undertaking, amalgamation, etc. under Sections 21, 22 and 23 are under consideration.

(c) The rules do not change the definitions of dominant or inter-connected undertakings which are contained in the Act.

(d) 634 undertakings have so far been registered under Section 20 of the Monopolies and Restrictive Trade Practices Act, 1969.

CREDIT POLICY IN RESPECT OF BANK ADVANCES

349. SHRI BIRA KESARI DEO:
DR. B. N. ANTANI:

Will the Minister of FINANCE be pleased to state:

(a) what is the credit policy in respect of bank advances against shares;

(b) whether it is a fact that instructions have been issued to commercial banks, including the State Bank of India and the public sector banks, that they should exercise voting rights in respect of shares pledged with them; if so, the details of the instructions;

(c) what is the total amount of bank credit against shares at present and what percentage does it represent to the total bank credit; and

(d) how much credit has been extended to share dealers, joint-stock companies, firms and individuals, out of the total bank credit against shares?

THE MINISTER OF REVENUE AND EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA): (a) The broad policy in respect of bank advances against shares is to ensure that the banks lend money against pledge of shares for productive purposes and other genuine needs of the borrowers and that the credit facilities from the banks are not utilised for speculative purposes or for cornering of shares with a view to acquiring controlling interest in companies.

(b) Yes Sir, Reserve Bank has issued a directive to all the commercial banks on 28th August, 1970 which *inter-alia* stipulates that shares pledged for advance limits over Rs. 50,000 should be got transferred to the bank's name and it should have exclusive voting right in respect thereof. The bank would exercise voting rights with the prior approval of the Reserve Bank and in accordance with such directions as may be given by the Bank. These instructions do not apply in the case of shares lodged by a shareholder as security for an advance, except when any shares are held as security in his account for a period longer than three months.

(c) and (d) The latest final figures available are as on 28th November, 1969. On that date the advances against shares of joint stock companies stood at Rs. 82.51 crores and constituted 2.4 per cent of the total bank credit of Rs. 3455.49 crores. Out of Rs. 82.51 crores, advances to stock and share brokers amounted to Rs. 9.19 crores and the balance of Rs. 73.32 crores to other parties. Separate figures of credit extended to joint stock companies, firms and individuals against the shares are not readily available.

CREDIT GAP IN RURAL SECTOR

350. SHRI CHITTA BASU: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made any assessment about the existing credit gap in the rural sector;

(b) if so, the details thereof, and

(c) the steps taken or proposed to be taken to bridge the gap?

THE MINISTER OF REVENUES AND EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI VIDYA CHARAN SHUKLA): (a) and (b) The All India Rural Credit Review Committee set up by the