

(b) if so, whether Government have examined the repercussion of the dollar's rise in the world's exchange markets in relation to Indian rupee, which has resulted in its unprecedented depreciation and its impact on India's economy and foreign trade; and

(c) the steps Government propose to take to meet the situation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) Yes, Sir.

(b) and (c) The impact of the depreciation of the Indian rupee against the U.S. dollar on India's foreign trade depends on many factors, such as the price responsiveness of demand for India's exports to the U.S. and of India's imports from the U.S., the price-responsiveness of the supply of India's exports to the U.S., the relative depreciation in the currencies of India's competitors in the U.S. market, and the relative rates of inflation in India and her competitors with respect to the U.S. As a result, it is not feasible to assess the exact overall effect of fluctuations in the rupee/dollar exchange rate on India's economy and trade.

In a regime of floating exchange rates for major international currencies, movements in the exchange rate of the rupee with respect to other foreign currencies are unavoidable and no specific action is called for at present.

Revision of Guidelines for Approval by Joint Ventures Abroad

260 **SHRI K. PRADHANI :** Will the Minister of **COMMERCE AND SUPPLY** be pleased to state :

(a) whether in view of the poor performance of some of the Indian joint ventures abroad Government propose to revise the guidelines for joint ventures and provide for a penalty clause to curb non-performance by Indian joint ventures and, prevent the high rate of mortality;

(b) if so, the broad outlines of the guidelines; and

(c) whether he will lay on the Table a statement showing the particulars of such joint ventures abroad; the names of the countries and the Indian participants, their nature of business; total Indian investment in terms of liquidity; machinery and equipment and technical know-how etc. information available with the Ministry?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND SUPPLY (SHRI P.A. SANGMA) : (a) to (c) The Government have not yet taken a view in the matter.

Involvement of Calcutta Branches of Bank of Baroda in 6 crore Fraud Case

261 **SHRI SANAT KUMAR MANDAL :** Will the Minister of **FINANCE** be pleased to state :

(a) the details of the Rs. 6 crore fraud case involving the three Calcutta Branches of the Bank of Baroda;

(b) whether there exist any guidelines issued either by his Ministry or the R.B.I. in the matter of making such huge advances loans; if so, the details thereof; and

(c) whether any investigation has been ordered into this case and responsibility fixed for the fraud and the nature of action taken to make good the loss of public money?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) Shri R.K. Jain, S.K. Poddar and J.P. Poddar, in collusion among themselves and in connivance with some officials of Bank of Baroda at its different branches in Calcutta, managed to obtain large credit facilities, indulged in fraudulent transactions and siphoned off large sums initially through cheque purchase facilities in the nature of kite flying and group transactions and subsequently through letters of credit facilities granted to them. The three branches of the bank at Calcutta had also co-accepted the bills to facilitate their discounting through other banks in Calcutta. In addition, overdrafts in

current accounts of the borrowers were also granted and irregularities in them have been observed. In accordance with the provisions contained in the relevant statutes, further information in relation to the individual constituents if the banks cannot be disclosed.

(b) Reserve Bank of India has been issuing guidelines to banks from time to time. Besides, large advances, beyond a certain cut off point (presently Rs. 4 crores), in some cases require prior authorisation of Reserve Bank of India under Credit Authorisation Scheme. On 15th November, 1983 and 26th November, 1983 the Reserve Bank of India had issued specific instructions to banks in regard to allowing drawals against cheques in clearing and opening of letters of credit, issue of guarantees, co-acceptance of bills etc. Further instruction with regard to co-acceptance of bills have again been issued on 12th February 1985. The banks have also been advised regarding control, monitoring of advances and responsibility, on 8th April, 1983 and 8th December, 1984.

(c) The Reserve Bank of India has carried out a scrutiny of books and accounts of the branches of Bank of Baroda at Calcutta and its Central Office at Bombay and also of branches of other banks which had discounted bills co-accepted by Bank of Baroda. The Central Bureau of Investigation has also registered cases and their investigations are in progress. In the meantime the bank has suspended certain officials involved in the fraud and the departmental enquiries are proposed to be conducted in consultation with the CBI.

Detection of Excise Evasion Cases

262 SHRI SANAT KUMAR MANDAL : Will the Minister of FINANCE be pleased to state :

(a) whether his Ministry has launched an offensive against excise evasion, if so, its outcome and the amount involved in each case where it exceeds Rs. 1 crore;

(b) whether his Ministry is also having a fresh look at the operations of revenue intelligence agencies and examining some of the old cases of excise evasion to ascertain whether there was any deliberate attempt on the part of the officials to favour any parties; and

(c) if so, the outcome of this investigation and necessary action taken to recover the evaded duty and against the officials concerned ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) Yes, Sir, Drive against evasion of excise duty has recently been accelerated. During the first two months of 1985, about 1103 cases involving estimated evasion of excise duty of Rs. 2734.00 lakh (approx.) have been detected. There are a few cases in which estimated evasion of duty is more than rupees 1 crore.

(b) No, Sir.

(c) Question does not arise.

Raids Conducted by Directorate of Anti-Evasion (Excise)

263. SHRI RAMASHRAY PRASAD SINCH : Will the Minister of FINANCE be pleased to state :

(a) whether the Directorate of Anti-Evasion (Excise) has conducted a series of raids in godowns and other business premises of manufacturers of different items in some of the major cities in the country during the last two-three months; and

(b) if so, the details of such raids conducted in each city and the goods and other documents seized ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) :

(a) and (b) Yes, Sir. In the drive against the evasion of excise duty, the Directorate of Anti-Evasion (Central Excise) has conducted searches of about 400 premises of manufacturers of excisable goods and their dealers during 1985.