

[English]

Value of Rupee

2845. SHRI HARIN PATHAK: Will the Minister of FINANCE be pleased to state:

(a) whether the parity of the Indian rupee vis-a-vis the dollar and other currencies of the world was vitiated recently;

(b) if so, whether the Government have analysed the whole spectrum in this regard;

(c) if so, the results thereof;

(d) whether the Government propose to review the role of the RBI in this connection;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) The exchange rate of the rupee is market determined. Under this system, the Indian rupee vis-a-vis the US dollar has remained reasonably stable for the past one year or so. The movements in the exchange rates between the rupee and any currency other than the US dollar broadly reflect the currency movements in the international financial markets as well as macro demand and supply conditions in the domestic economy.

(b) and (c) The exchange rate development are monitored continuously both by the Governments and the Reserve Bank of India. Measures are taken, as and when necessary, to maintain orderly market conditions as well as to ensure that the exchange rate of the rupee remains consistent with economic fundamentals.

(d) to (f) The management of exchange rate by the RBI, over the years, has been very successful. The situation does not call for any review of the role of the RBI in this connection.

RBI Circular on Dividend etc.

2846. SHRI TARIT BARAN TOPDAR:

DR. ASIM BALA:

DR. RAM CHANDRA DOME:

PROF. JITENDRA NATH DAS:

Will the Minister of FINANCE be pleased to state:

(a) whether RBI issued a circular in 1994 to banks with regard to 'at par' facilities granted to companies for payment of dividend warrants and refund orders;

(b) if so, the number of banks have followed the said circular;

(c) the reasons for others who have not followed

the said circular;

(d) whether some SBI officials allowed the CRB Group to use the 'encashment at par' facility to defraud the bank of several crores in no time;

(e) whether these officials are covered by the Finance Minister's single directive prohibition policy; and

(f) if so, as this policy is effective only to protect corrupt high officials in the Government will be withdrawn soon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) Reserve Bank of India (RBI) had not issued any circular in 1994 to banks with regard to 'at par' facilities. RBI had only issued a secret Caution Advice dated 7.6.94 addressed to Chief Executive Officers of all commercial banks on the basis of a fraud reported in 1994 by a bank, which was appointed as refund banker in connection with public issues made by two companies, had issued refund orders far in excess of the amount agreed to or deposited with the bank with the result that the account became heavily overdrawn. RBI's caution advice described the modus-operandi and cautioned banks against the companies mentioned therein. It did not contain the detailed instructions with regard to 'at par' facility.

(d) CRB Capital Markets Ltd. (CRBCML) had fraudulently withdrawn its account with State Bank of India's (SBI) Mumbai main branch for payment of interest warrants, deposit refunds are brokerage warrants by an amount of over Rs. 58 crores.

(e) and (f) SBI has initiated action at all levels and has suspended three officers. CBI has also registered a case in May, 1977. None of these three officers of SBI are covered by the single directive issued by Department of Personnel & Training.

Training to Leather Artisans

2847. DR. ASIM BALA: Will the Minister of INDUSTRY be pleased to state:

(a) whether there is any proposal under consideration to provide training to the cobblers/shoe makers and leather artisans with latest know-how in the country,

(b) if so, the details thereof; and

(c) the number of leather training-cum-service centres set up under the United Nations Development Programme in the country?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) Under the National Leather Development Programme (NLDP) being implemented by the Government of India in cooperation with the United Nations Development Programme (UNDP), Human Resource Development through training and technology upgradation of the footwear sector and artisans is an important objective. Various implementing agencies including the Central Leather Research Institute,