

Fridays and report thereon separately both to the top management of the bank and to the RBI. Banks have also been asked to instruct the auditors to give certificates to be submitted to RBI to the effect that (i) the treasury operations of the bank have been conducted in accordance with the instructions issued by RBI from time to time and (ii) the income recognition, asset classification and provisioning have been done as per the guidelines issued by RBI from time to time.

(d) and (e) RBI have informed that statutory auditors are also required to report as soon as the audit work is completed to the management of the bank as well as to the RBI any serious irregularities noticed in the bank's working which requires immediate attention. All conditions in this regard are incorporated by banks in the appointment letters issued to statutory auditors and certificates are furnished by auditors of banks.

#### **Permission to CBI to Investigate Fraud Cases**

4432. SHRI ANNASAHIB M.K. PATIL : Will the Minister of FINANCE be pleased to state :

(a) whether attention of the Government has been drawn to the news-item captioned "Bank fraud probes: CBI unhappy with fetters" appearing in the Observer dated January 21, 1997;

(b) if so, the details of the facts reported thereon;

(c) the details regarding the cases of reported financial irregularities/frauds in which CBI has sought permission from the New Competent Authority in the Finance Ministry with present status of these cases; and

(d) the reaction of the CBI to the new arrangement proposed and the steps proposed to ensure effective coordination among Government agencies ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (d) Government have seen the news item referred to in the Question. The Government have not curtailed the powers of the Central Bureau of Investigation (CBI). The Single Directive as amended from time to time has been issued after taking into account the views of the Central Bureau of Investigation. The Single Directive provides that in regard to decision making level officers (Joint Secretary or equivalent or above), the prior sanction of the Secretary of the Ministry/Department concerned should be obtained before CBI takes up any enquiry (Preliminary Enquiry or Regular Case) including ordering search in respect of such

officers. The procedure is applicable in the case of decision making level officers of the Central Government or such officers as are or have been on deputation to Public Sector Undertakings; Board level officers in Public Sector Undertakings; Officers of the Reserve Bank of India of the level equivalent to Joint Secretary or above in the Central Government, Executive Directors and above of the Securities Exchange Board of India and Chairman and Managing Directors (CMDs) and Executive Directors as well as such of the Bank officers who are one level below the Board in Nationalised Banks. This provision in the Single Directive has been made to ensure that the honest officers at the decision making level are protected against unnecessary investigation while the corrupt and guilty are punished.

In The news item a reference has been made to registration of a case by CBI against former CMD, Indian Bank relating to sanction of overdraft to M/s. Arun Builders by Indian Bank. In this case, CBI had requested in September 1995 concurrence of the Finance Ministry for registration of a Preliminary Enquiry against former CMD, Indian Bank. The request was considered in consultation with RBI and permission was granted by the Government on 20.12.1995 for registration of a Preliminary Enquiry. CBI accordingly registered the Preliminary Enquiry on 30.1.1996.

After the recent amendments in the Single Directive in December 1996, two references have been received from CBI seeking the concurrence of the Finance Ministry for registration of two Regular Cases in respect of top executives of two nationalised banks. Necessary action for considering the request of the CBI has been initiated in these cases.

#### **De-Valuation of rupee**

4433. SHRI HARIN PATHAK : Will the Minister of FINANCE be pleased to state :

(a) whether there has been devaluation of rupee during the last three years;

(b) if so, the dates on which rupee has been devalued and the extent of increase in the amount of foreign debt as a result thereof on each occasion; and

(c) the future plans of the Government in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) The exchange rate of the rupee is market determined