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Title : Issue regarding partial privatization of Reserve Bank of India Act without the knowledge of Parliament.

SHRI RUPCHAND PAL : Sir, I would like to draw the attention of this august House to a very serious development that is taking place in the financial sector. The Reserve Bank of India was set up by an Act of Parliament in 1934.

Section 58 (2)(p) of the Reserve Bank of India clearly stipulates that clearing of cheque activities is an exclusive jurisdiction of the Reserve Bank of India. But surreptitiously, behind this House, there is a move to privatise this activity of the Reserve Bank of India. A company is being proposed to be set up for which a notice has been given and hung in the office of the Indian Banks' Association. Some individuals say that they are setting up a company in the name of National Payments Company.

This is a very serious matter. Without the knowledge of the Parliament, an Act of Parliament, that is, RBI Act, cannot be violated in such a manner. But of late, things like these are happening. While the Parliament is in Session, the hon. Prime Minister is announcing from Mumbai that the country should go for full convertibility of rupee.

* Not Recorded

For, all these years, we have been in the Committees, we have no occasion and no opportunity to discuss certain matters. Similarly, in Mumbai Journal, an advertisement has come that the individuals mentioned therein are setting up one company under the Companies Act 1956. The RBI Board is the sole authority to oversee, monitor and look into these cases of clearing. Clearing is a very serious matter. It involves serious risk.

In such an area, we do have skilled personnel, we do have skilled expertise available with the Reserve Bank of India. In such a situation, this move, of such a huge wastage of our skilled personnel, such wastage of our arrangement, should be stopped. The message should go to the Government that such a reckless privatisation of important activities of an organisation like the Reserve Bank of India should never be undertaken. That will harm our economy, that will harm our financial sector. It involves great risk to the economy of this country.