

(a) whether the inquiry committee constituted by the Reserve Bank of India to investigate the security scam, has submitted its report to the Union Government;

(b) if so, the main findings of the Committee; and

(c) the action taken by the Union Government thereon?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) to (c) A Committee was constituted in 1992 by Reserve Bank of India (RBI) under the chairmanship of Shri R. Janakiraman, the then Deputy Governor of RBI to look into securities transactions of banks and financial institutions. Presumably the reference in the question is to the findings and recommendations of the Janakiraman Committee. The Committee had concluded that the irregularities in securities transactions had largely arisen out of the attempts to circumvent the RBI regulations. The committee also noted that the main source of funds for the irregular transactions had been from the corporate sector and particularly public sector undertakings and the device used for circumventing the RBI regulations was through portfolio management scheme and allied schemes. There was also a close nexus between brokers and certain banks which enabled the brokers to have unauthorised access to the funds and also to undertake unauthorised transactions to their advantage. RBI have reported that necessary action has been taken by RBI for implementation of various recommendations of the Janakiraman Committee. The steps taken by RBI include, among others, prescription of adequate safeguards in ready forward transactions, streamlining the functioning of Public Debt Offices in RBI and the Portfolio Management Scheme operations of banks, strict enforcement of rules regarding use of Bank Receipts, issue of guidelines regarding inter-bank securities transactions, laying down norms by individual banks for dealing with approved brokers and review of internal control systems in banks.

Foreign Currency Non-Resident Deposits

3528. SHRI RAMKRISHNA BABA PATIL :
SHRI GURUDAS KAMAT :

Will the Minister of FINANCE be pleased to state :

(a) whether nationalised Banks have started revising the existing rates on their foreign currency non-resident (FCNR) deposits; and

(b) if so, the details thereof?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : (a) and (b) The information is being collected and will be laid on the Table of the House.

Insurance Sector

3529. SHRI R. SAMBASIVA RAO : Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government has taken a decision to consider the insurance sector reforms expeditiously;

(b) if so, details thereof;

(c) whether any International Conference on Insurance was held in India recently;

(d) if so, the details thereof;

(e) whether all the recommendations of the Malhotra Committee on Insurance Sector reforms have been considered; and

(f) if so, to what extent these recommendations are likely to be incorporated in the new insurance sector.

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF FINANCE (BANKING, REVENUE AND INSURANCE) (SHRI KADAMBUR M.R. JANARTHANAN) : (a) and (b) In the budget speech 1998-99, it has been announced that the insurance sector would be opened to competition from private Indian Companies. The Insurance Regulatory Authority would be converted into a statutory body. Necessary legislation would be introduced later in the year.

(c) and (d) Federation of Indian Chamber of Commerce and Industry organised an International Conference on "Insurance : The case for Liberalisation", on 22nd-23rd April, 1998. The conference was attended by public sector insurance companies, members from private sector and foreign companies, representatives of Insurance Regulatory Authority and the Government.

(e) Yes, Sir.

(f) It has been decided to keep the recommendations in view while Insurance Sector Reforms are introduced from time to time.

Establishment of 'Paryatan Bhawan'

3530. SHRI SADASHIV RAO D. MANDLIK : Will the Minister of TOURISM be pleased to state :

(a) the efforts being made by the Government to simplify the procedure to facilitate tourists to go from Airport to a tourist spot directly;

(b) whether the Government propose to set up Paryatan Bhawans' in the country;

(c) if so, the details thereof, Statewise; and

(d) if not, the reasons therefor?