

*Foreign Exchange Remittances*

[Smt. Geta Mukherjee]

*by women will get a special prize and special citation. A spirit of competition among women can thus be created.*

Other points are there. I will not go in for any other points. Some incentive, motivation and control are very urgent.

I urge upon the hon. Minister through you, Madam, to look into it.

MR. CHAIRMAN: May I ask the hon. Minister Shri Rameshwar Thakur to make a statement?

16.01 hrs

STATEMENT BY MINISTER—*Contd.***Foreign Exchange Remittances and India Development Bonds Schemes**

[English]

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): In his budget speech on 24.7.91, Finance Minister had announced two schemes for attracting foreign exchange from abroad in the form of remittances of foreign exchange and foreign exchange bonds. Even though the Finance Minister had announced that the two schemes will come into effect immediately, after the budget speech, it was represented to Government that before the schemes were formally launched, the necessary immunities to be granted for the purposes of these two schemes should first be given effect to by the passage of the relevant legislation in the Parliament. Accordingly, the Remittances of Foreign Exchange and Investment in Foreign Exchange Bonds (Immunities and Exemptions) Act, 1991 (41 of 1991) was passed by this August House in the first half of September, 1991, and the Act, received the Presidential assent on 18.9.91.

Initially it had been the intention of the Government to allow at least 4 months time for the operation of these two schemes, so that there would be sufficient time for the information regarding these two schemes to reach the Non-resident Indians in all the corners of the World and to allow them sufficient time to send the remittances, or to invest in the bonds. The time actually available after the Presidential assent has been just over two months and we have received a number of representations from Non-resident Indians, and their..... relatives in India requesting for an extension of these two schemes. The Indian High Commissioner at London and other Indian Embassies and High Commissioners have also pressed for the extension of these two schemes at least by two more months.

In the light of these requests and representations, and in keeping with the original intention of the Government to allow at least 4 months' time for these schemes to operate, it has been decided to extend these two schemes upto 31st January 1992.

As a result, the specified date for the purpose of remittances in Section 2 (1) (b), and in Section 5 (1) of the Remittances of Foreign Exchange and Investment in Foreign Exchange Bonds (Immunities and Exemptions) Act, 1991 has, by a Gazette notification today, been specified as 1st February 1992, before which the remittances should be received in India, or the investments in Foreign Exchange Bonds should be made abroad. A copy each of the two Gazette notifications issued today is laid on the table of the House. [Placed in Library See No. LT-770/91].

Similarly, in the case of the scheme (also announced in Finance Minister's Budget speech) under which any person having unaccounted money would be allowed to make a deposit with the National Housing Bank on or before close of business on 30th November, 1991, the Voluntary Deposits (Immunities and Exemptions) Act, 1991 (47 of 1991), which provides the necessary immunities, was passed by this August House

in the second half of September, 1991, and the Act received the Presidential assent on 20.9.91. It was the intention of the Government to allow four months' time for the operation of this scheme also. This scheme was also formally launched only on the 1st of October, 1991. Accordingly, it has been decided to extend this scheme also upto 31st January, 1992. As a result, the specified date for the purpose of Section 2(a) of the Voluntary Deposits (Immunities & Exemptions) Act, 1991 has, by a Gazette Notification today, been specified as 1st February, 1992, before which the deposits can be made under the Voluntary Deposits Scheme. A copy of that Gazette notification issued today is also laid on the table of the House [Placed in Library. See No. LT-771/91]

*(Interruptions)*

SHRIGUMAN MALLODHA (Pali): What was the amount granted and how much amount has been remitted in both the Schemes? *(Interruptions)*

SHIR NIRMAL KANTI CHATTERJEE (Dumdum): In his Budget Speech, it was stated by the Finance Minister that he is giving one last chance. *(Interruptions)*

SHRI RAM NAIK (Bombay-North): I am on a point of order.

MR. CHAIRMAN: Shri Ram Naik is raising a point of order. Please allow him to raise it.

SHRI RAM NAIK: Madam, whenever such statements are made, the House has to be informed in advance. Now that was not shown in the Order Paper today. Further, whenever such statements are made, at least a note is circulated here saying that the Minister would make a statement. That has also not been done. How will the Members know that such an important statement is being made? At least, the House deserves some courtesy from the Government of this information. On the Television Screen outside, it was shown. That is not sufficient. When the facility is there, we should be

informed by a cyclostyled notice saying that the statement is going to be made. I want to know why it has not been done. *(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE: Kindly permit me. He is absolutely right in raising this issue. The House deserves some kind of a courtesy. But, apart from that, if you can recollect, the Finance Minister in his Budget Speech and subsequently also said that one last chance is given to those who accumulate unaccounted money. That last chance seems to be extended from the earlier four months period by another two months taking it to a period of six months. *(Interruptions)*

MR. CHAIRMAN: The point of order has been made. The point of order has been noted. But this statement was made with the assent of the Speaker.

*(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE: That is all right. Let me say that this is really not a point of order but it is a point of courtesy. The House deserves some kind of a courtesy. The hon. Minister should take note of it. *(Interruptions)*

MR. CHAIRMAN: It is not usual to ask any question on the Minister's statement.

SHRI NIRMAL KANTI CHATTERJEE: On important issues, we can ask questions. He is trying to garner foreign exchange from the NRIs who acquired it in a black way. The rumours are that there will be a third devaluation of currency. That also is not allowing any flow of funds from the NRIs. I think, if the hon. Minister is serious enough, he should respond to it. *(Interruptions)*

MR. CHAIRMAN: Shri Nirmal Kanti Chatterjee, if you want a discussion on this, there is a proper procedure for that.

SHRI NIRMAL KANTI CHATTERJEE: No. I would like to say that I am in agreement with him that foreign money should come.

[Sh. Nirmal Kanti Chatterjee]

But there is a widespread speculation that we are on the brink of a third devaluation. *(Interruptions)*

SHRI NIRMAL KANTI CHATTERJEE: (Dum Dum): Would he assure us and the country that we are in for no more devaluation? *(Interruptions)*

SHRI GUMAN MAL LODHA (Pali): The hon. Minister should have informed the House about the targets of the two schemes and how much amount has been received and also about the failure of the Government to receive the requisite amount. *(Interruptions)*

MR. CHAIRMAN: The point has been taken note of. Please sit down. *(Interruptions)*

SHRI E. AHAMED (Manjeri): Rule 373 is very much specific. And there is also an established precedent that no question can be put and no debate can be allowed on a statement. *(Interruptions)*

MR. CHAIRMAN: Mr. Ahamed, I have already said that.

*(Interruptions)*

SHRI E. AHAMED: Why is it going on like that? *(Interruptions)*

SHRI CHITTA BASU (Barasat): Now the hon. Minister has made a statement. May we know from the hon. Minister whether there will be one more extension of time? Already there is one extension. Now there is going to be another extension. May we know about that? *(Interruptions)*

MR. CHAIRMAN: Please sit down  
*(Interruptions)*

SHRI P.C. CHACKO (Trichur): I want to raise a question. Already large number of people have represented for the extension for this society and representations have been received by the Minister also. Now

what is going to be the impact of this decision. What about the report of third devaluation?

*(Interruptions)*

SHRI HARI KISHORE SINGH (Sheohar): It has come in the press: "Third devaluation of the rupee on cards". *(Interruptions)*

MR. CHAIRMAN: We cannot have a debate on this at this moment. It has been admitted by the Speaker. Please take your seat. *(Interruptions)*

SHRI GUMAN MAL LODHA: The House must be assured that there will be no further devaluation. *(Interruptions)*

MR. CHAIRMAN: Will you please allow me to speak? Under the Lok Sabha rules, the Speaker may permit a Minister to make an important statement without an entry being made in the list of business. An objection that an item of major policy statement must always be entered in the list of business, is not valid. However, the Members can ask for a discussion on the Minister's statement under Rule 193.

*(Interruptions)*

MR. CHAIRMAN: If you go on like this, you would not be able to hear each other. Please sit down.

*(Interruptions)*

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): My statement is self-contained and there is no need for further discussion or a debate. However, I would like to mention one point which is a deviation from the statement but connected with the third devaluation. In this connection, I would like to make it absolutely clear that there is no question of any third devaluation.

The Government's attention has been drawn to a news item in a prominent daily

suggesting the possibility of a further devaluation of the rupee following discussions with the IMF by the Governor of the RBI. There is no basis whatsoever for the report. Governor RBI visited Washington as part of a foreign tour covering Tokyo, New York and London. During his visit he held routine discussions with the World Bank and the IMF. The discussions with the IMF related to the current arrangements with the Fund for an Upper Credit Tranche Standby arrangement of \$ 2.2 billion over a 20-month period which was approved by the Board of the Fund on 31st October this year. *(Interruptions)* The subject of devaluation was never raised at any stage. In fact, as part of the understanding with the IMF, Government is committed to policies which will ensure stability of the current exchange rate. Officials of the IMF have noted with satisfaction the significant increase in our foreign exchange reserves over the past two months. I would like to mention here what our Prime Minister has mentioned a few days ago about our foreign exchange reserves having gone upto Rs. 6,000 crores. I am very happy to say that as on today the foreign exchange reserves are more than Rs. 6,700 crores. Yesterday, under the scheme we have received Rs. 220 crores as remittances.

The factual position has been ascertained from Governor RBI and also from Shri G.K. Arora, India's Executive Director in the IMF, who was present during all the discussions of the Governor with the IMF. Both have confirmed that neither the officials of the IMF, nor those from the Indian side ever raised the issue of an exchange rate adjustment. They have added that this issue did not figure in any way in the discussions with the Fund officials.

It is unfortunate that a prominent daily has made this statement without verifying the facts either from the Governor RBI or from Shri Arora or from the Finance Ministry. So this is unfounded.

**SHRI NIRMAL KANTI CHATTERJEE** (Dum Dum): You have premised to lay the conditionalities on the Table of the House.

**SHRI RAMESHWAR THAKUR:** We are going to place it at the right time. *(Interruptions)*

**MR. CHAIRMAN:** If you all talk together, then no one can be heard.

**SHRI CHITTA BASU:** An assurance had been given by the hon. Prime Minister and the Finance Minister stating that the conditionalities of the IMF will be placed on the Table of the House. Now may I know when that assurance will be given effect to?

**SHRI RAMESHWAR THAKUR:** On behalf of the hon. Finance Minister, I reassure the House that these papers will be laid on the Table of the House at the right time. *(Interruptions)*

**SHRI SRIBALLAV PANIGRAHI** (Deogarh): Madam, I would like to ask the Minister.....

**MR. CHAIRMAN:** Please sit down. I have not allowed you. Now we can get back to the business on hand and if the Members so wish, they can ask for a discussion under Rule 193 on the Minister's statement.

*(Interruptions)*

16.20 hrs.

**WATER (PREVENTION AND CONTROL OF POLLUTION) CESS (AMENDMENT) BILL. CONTD.**

[English]

**MR. CHAIRMAN:** Now Mr. A. Charles

**SHRI A. CHARLES** (Trivandrum): Madam Chairperson, I stand to support the Water (Prevention and control of pollution) Cess (Amendment) Bill 1991. The Bill has been brought with a very limited purpose of increasing the max. num rates of water cess and also for reducing the rebate in cess in certain conditions. As stated in the Objects