

Financial Packages offered to private units for setting up note Presses

120. SHRI ASHIS SEN: Will the Minister of FINANCE be pleased to state:

(a) what are the details of the financial packages offered to private sector units for setting up currency notes printing presses; and

(b) what are the details of the owners of the concerned private sector units?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) There is no proposal to entrust printing of currency notes to private sector units.

(b) Docs not arise.

Involvement of Drug enforcement agency with Clandestine Laboratories

121. SHRI RAMACHANDRAN PILLAI: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that clandestine laboratories are converting opium into smack and heroin with the connivance of drug enforcement agency personnel; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b) Whenever information regarding clandestine laboratories is received, these laboratories are destroyed. No connivance of drug enforcement personnel has come to notice.

During 1991, two such laboratories were destroyed while in 1992, six laboratories have been destroyed till September, 1992.

Allowing foreign banks and Insurance companies in the country

122. SHRI ASHIS SEN:

SHRI MOHAMMED AMIN: Will the Minister of FINANCE be pleased to state: (a) whether it is a fact that Government propose to allow foreign

banks and insurance companies to operate in the country.

(b) if so, whether this is a forward step towards opening these fields for Indian companies also; and

(c) if so, by when Indian companies will be allowed to operate in these fields?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) to (c) Foreign banks already have branches/ representative offices in the country. Permission to foreign banks for opening branches in India is granted by the Reserve Bank of India in terms of the provisions of the Banking Regulation Act, 1949. At present, there is no proposal to allow foreign insurance companies to operate in the country.

In so far as the question of permitting new banks in the private sector is concerned, Reserve Bank of India are considering various requirements and norms for the same.

RBI Circular to Scheduled Banks

123. SHRI SUSHIL KUMAR SAMBAJIRAO SHINDE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Reserve Bank of India had issued on September 10, 1992 a circular to all scheduled banks not to utilise their accounts maintained with RBI for any purpose other than fulfilling their statutory requirements;

(b) if so, what are the details of instruction and guidelines laid down therein; and

(c) the circumstances warranting such a circular?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a): It is a fact that such a circular dated 9th September, 1992 (and not dated 10th September, 1992)

was issued by the Reserve Bank of India (RBI), to all the Scheduled Commercial Banks (excluding Regional Rural Banks).

(b) The circular reiterates to banks mainly the following existing instructions:

(i) The accounts maintained with RBI should be utilised only for enabling them to fulfill their statutory obligations, settlement of transactions with RBI/ Government, settlement of inter-banks transactions or adverse clearing balances and not for facilitating credit to accounts of third parties.

(ii) Crediting of proceeds of 'Account Payee' cheques to parties otherwise than in pursuance of clearly delineated instructions of issuer of such cheques is unauthorised and should not be done under any circumstances.

(c) RBI has reported that during the recent detailed examination of securities transactions of banks and institutions carried out by the officials of RBI, it was revealed that contrary to the existing instructions the banks have undertaken large value transactions with third parties on a significant scale by means of cheques drawn on their accounts maintained with RBI in the names of other banks maintaining accounts with RBI. It was also noticed that banks have credited cheques drawn in their favour by other banks marked 'Account Payee' to the accounts of constituents even when they are not named in the cheques as the beneficiaries.

In view of the above revelations, RBI considered it necessary to reiterate its existing instructions to banks in this regard.

Liberalisation of NRI Investment Norms

124. SHRI SUSHIL KUMAR
SAMBHAJIRAO SHINDE: DR.
SANJAYA SINH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have lately decided to further liberalise NRI investment norms removing the condition of dividend balancing in high exports-earnings;

(b) if so, the details of the liberalisation scheme; and

(c) the NRI's response thereto by way of investment in priority and non-priority areas?

THE MINISTER OF STATE, IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) The condition regarding balancing of dividend payments through export earnings over a period of 7 years from the commencement of commercial production of the company in high priority industries has been removed in the case of NRI investments. This condition will, however, continue in respect of consumer goods sector.

(c) Approvals for investment by NRI from 1990 are indicated below:

(Rs. crores)	
Year	Amount
1990	5.24
1991	19.70
1992 Up to end September	284.21