

(c) whether it is a fact that the World Bank, for such aid and credit, insists on global tenders even for purchases of machinery and equipment which can be manufactured locally and also on scrutinising the details of implementation of the projects at every stage?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) The International Development Association (IDA) was extending to India loans to finance miscellaneous import requirements of certain specified industries. This form of assistance has not been extended by IDA in its fiscal years FY 78 and FY 79 in view of our improved foreign exchange position. Their loans are now extended for specific projects.

(b) In the Consortium meeting held at Paris in June, 1978 the Bank group has committed an assistance of the order of \$1 25 billion during the Bank's financial year ending June, 1979. The average period of repayment of World Bank loan is 10 years with 3-5 years of grace period. The rate of interest on these loans is determined every quarter. The rate of interest for the current quarter is 7 per cent. The loans from IDA are interest free and repayable over a period of 50 years including ten years grace period and carry a service charge of 3/4th of 1 per cent. Project in the priority sectors of agriculture, irrigation, power etc. are posed to the Bank group for assistance.

(c) The list of equipment to be procured by international competitive bidding is settled for each project at the time of negotiations for the loan with the World Bank Group. For equipment which is manufactured locally and offered against such ICB tenders a preference of 15 per cent on the c.i.f. price of such goods, is allowed. On civil works, a preference of 7 1/2 per cent is permitted for domestic contractors.

The day to day implementation of the projects is not scrutinised by the Bank but it monitors the progress of the projects periodically by deputing supervision missions.

#### **Revaluation of the Rupee Against Pound Sterling**

2055. SHRI GOVINDRAO RAMACHANL RAMHAISIKAR : Will the Minister of FINANCE be pleased to state :

(a) what are the reasons for the revaluation of the Rupee against Pound Sterling; and

(b) whether it will affect the value of the Indian Rupee in relation to other hard currencies ?

THE MINISTER OF FINANCE (SHRI H. M. PATEL) : (a) In the existing international situation where major currencies of the world are floating, the Government of India with a view to imparting a measure of stability to the exchange rate, decided to adopt a new arrangement with effect from September, 1975 under which the exchange value of the rupee is determined with reference to the daily exchange rate movements of a selected number of currencies of countries which are India's major trading partners.

The earlier connotations of revaluation and devaluation have lost much of their relevance today and the recent adjustments in the value of rupee against the pound sterling simply imply an adjustment to the fluctuating exchange rates in the international market.

(b) Yes Sir, as the major currencies themselves float on the exchanges, the exchange rate of the rupee in terms of individual foreign currencies fluctuate in line with these movements.

#### **Cases of Fraud in Basis**

2056. SHRIMATI HAMIDA HABIBULLAH :

SHRI PRAKASH MEHROTRA : SHRI BHIM RAJ : SHRI GURUDEV GUPTA : SHRI SAWAISINGH SISODIA : Will the Minister of FINANCE be pleased to state :

(a) the number of banks, both scheduled and non-scheduled, including their overseas branches in which cases of fraud involving substantial amounts have been taken place since March, 1977 ; and

(b) the amount involved in each case ?

THE MINISTER OF FINANCE (SHRI H.M. PATEL):(a) and (b) According to information collected by Reserve Bank of India, there were 9 major frauds involving an amount of Rs. 5 lakh and above in each case in 7 commercial banks during the period March, 1977 to March, 1978. The amount involved in these 9 frauds were Rs. 10.19 lakhs, Rs. 5.06 lakhs, Rs. 5.23 lakhs, Rs. 5.01 lakh, Rs. 5.82 lakhs, Rs. 13.74 lakhs, Rs. 16.64 lakhs, Rs. 26.46 lakhs and Rs. 9.90 lakhs. The amounts indicated above do not necessarily represent the amount of losses to the banks concerned.

#### **Imports of Pulses**

2057. SHRI PRAKASH MEHROTRA : SHRI GURUDEV GUPTA : SHRI SAWAISINGH SISODIA :

Will the Minister of COMMERCE, CIVIL SUPPLIES AND COOPERATION be pleased to state the names of the