

(b) if so, the details thereof and the longest and the shortest duration of time taken to clear products during the last three years;

(c) whether the popularity of this industry could be increased by reducing time in clearing products; and

(d) if so, the reaction of Government thereto and whether Government would take action to expedite the clearance of products?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) The insurance companies are mandated to take prior approval from the Insurance Regulatory and Development Authority (IRDA) of the product before launching.

As per File and Use Guidelines, the insurance companies are required to launch products after allowing for 60 days for non-life and 30 days for life for clearance by the IRDA. Several times, however, the full details of the product, which are required in order to assess the product, are not furnished and consequently there is delay.

The time lag for this process depends on the complexity of the product, the price, features, benefits and terms and conditions of the product.

(b) The shortest and longest time taken for product approval (from date of receipt to date of clearance) is in the ranges of 2 days to 1708 days, with an average time-lag of 109 days for the life insurance products, 103 days for the general insurance products excluding health insurance products and 176 days for health insurance products, as informed by IRDA.

(c) and (d) Being a service industry, the popularity of insurance industry depends on the quality of service rendered by the company in terms of innovative products and speedy settlement of claims. The quality of service may be hampered if the products are not properly worded, under/excess priced and doesn't meet the needs of the customer. IRDA has informed that need-based and reasonably priced insurance products by the insurance companies would increase the popularity of the industry.

Implementation of Khandelwal Committee Report

659. SHRI M.P. ACHUTHAN:

SHRI D. RAJA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Khandelwal Committee appointed by the Centre on human resources of banking sector has submitted its report;

(b) if so, the main recommendations made and decision taken on its implementation;

(c) whether the employees' unions in banking sector were consulted before the implementation of the recommendations;

- (d) if so, the details thereof; and
- (e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (e) Government constituted a Committee on Human Resources issues of Public Sector Banks (PSBs) under the Chairmanship of Dr. A.K. Khandelwal, who has submitted its report. The Committee made 105 recommendations on matters related to Manpower and Recruitment Planning, Training, Career Planning, Performance Management, Reward Management, Succession Planning and Leadership Development, Motivation, Professionalisation of HR, Wages, Service Conditions and Welfare, etc. As 49 recommendations required further deliberations, the remaining 56 recommendations were forwarded to PSBs with the request that an HR Plan for each Bank be prepared and got approved by the respective Board of Directors. The representatives of Workmen Union/Officer Association are on the Board of Directors of the Bank.

Wrong prediction of rupee value by currency trade exports

660. SHRI PRABHAT JHA:

SHRIMATI KUSUM RAI:

Will the Minister of FINANCE be pleased to state:

- (a) whether during 2007, predictions and reports floated by various currency trade experts that rupee will touch 35 for a dollar was posted on RBI website which however proved wrong and caused loss of thousands of crores to import/export companies;
- (b) if so, the details thereof;
- (c) the reasons for giving official recognition to such report by RBI;
- (d) whether Government would initiate a high level enquiry into the forex derivative scam;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The Reserve Bank of India (RBI) has been disseminating the survey results conducted by the professional forecaster on its website since quarter ended March 2008 on a regular basis. These professional forecasters give their forecast on major macroeconomic indicators including rupee's exchange rate against US dollar.

(c) The results of the survey represent views of the respondent forecasters and in no way reflect the views or forecasts of the RBI. In addition, various Research Houses/Analysts may come out with reports on rupee's expected movement in future which could be directed towards their clients and not