

LOK SABHA
UNSTARRED QUESTION NO.2183
FOR ANSWER ON 02/12/2019

SAIL

2183. SHRI SUSHIL KUMAR SINGH:

Will the Minister of STEEL be pleased to state:

- (a) whether there is a mechanism in place to ensure the accountability of the finance department in each CPSE regarding the transferring/diverting the reserves, surplus, cash and bank funds (which are also part of the balance sheet of a company) from one bank to another;
- (b) if so, the details of such mechanism/guidelines/policies in each CPSE under the administrative control of the Government, separately;
- (c) the details of the transfer of such funds from one bank to another by SAIL and RINL separately since the year 2011 to till date, instance-wise;
- (d) the details of the instances in which the funds were transferred from a Public sector bank to Private sector bank by SAIL and RINL, instance-wise; and
- (e) the details of the mechanism used by the Government or the management of SAIL or RINL to check that some officials are not receiving *quid pro quo* from banks for diverting the money to their banks?

ANSWER

THE MINISTER OF STEEL

(SHRI DHARMENDRA PRADHAN)

(a)&(b): Department of Public Enterprises has issued detailed guidelines on investment of Surplus Funds by Central Public Sector Enterprises (CPSEs) vide Office Memorandum No. DPE/18(1)/2012-Fin dated 8.5.2017. The guidelines, inter-alia, provide for due diligence before investment decisions including in matters of deposits with scheduled commercial banks by the CPSEs. The guidelines, apart from laying down broad contours/principles of investment of surplus funds by CPSEs put certain obligations on the Board of the CPSEs on matters relating to investment of surplus funds, including safety of fund, risk on yield, requirement of liquidity and applicable laws. Further, the DPE guidelines stipulate putting in place proper system of regular reporting in such matters to the Board.

(c)to(e): Both Steel Authority of India Limited (SAIL) and Rashtriya Ispat Nigam Limited (RINL) have been dealing with Scheduled Commercial Banks listed in the 2nd Schedule of the Reserve Bank of India Act, for conducting financial transactions. As informed by SAIL and RINL, investment of surplus funds, if any, is regulated within the framework of the DPE guidelines and policy/methodology approved by SAIL and RINL Boards. All investment decisions are audited by Internal Audit, Statutory Auditors as well as the Government Auditors.
