

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

STARRED QUESTION NO:275  
ANSWERED ON:19.12.2003  
REDEMPTION OF RIB  
PRABHA RAU

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the redemption of Resurgent India Bonds raised by the State Bank of India (SBI) in 1998 was due on October 1, 2003;
- (b) if so, the total amount fetched through these bonds and the terms attached to the payment on money consequent on the redemption of bonds;
- (c) whether liability of the Government is reduced considerably as a result of the appreciation of rupee during the recent months; and
- (d) if so, the details thereof?

**Answer**

FINANCE MINISTER (SHRI JASWANT SINGH)

(a) to (d): A Statement is placed on the Table of the House

STATEMENT REFERRED IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO. 275 FOR 19-12 REGARDING 'REDEMPTION OF RIB'.

(a): Yes, Madam.

(b): State Bank of India had raised equivalent of US Dollars 4.23 billion through Resurgent India Bonds (RIBs). RIBs were raised at the interest rate of 7.75%, 8% and 6.25% for US Dollars (USD), Pound sterling (GBP) and German Mark (DM/EURO) deposit respectively. On maturity, repayment was to be in foreign currency, viz. US Dollar, Pound sterling, Euro depending on the case. If the holder became a resident in India before maturity of the bonds, he had the option of receiving the entire principal amount and interest due thereon either in foreign currency by credit to a Resident Foreign Currency account or in non-repatriable Indian rupees. In case a survivor or donee became a resident in India, the entire principal amount and interest due thereon were paid in non-repatriable Indian rupees.

(c): Yes, Madam.

(d): While the rupee has appreciated against US Dollar, it has depreciated against Pound sterling and Euro currencies during the year 2003-04. Reserve Bank of India has informed that the exact reduction in the liability of Government as a result of the appreciation of rupee will be known only at the end of the financial year.