

Remittance of States' shares by Central Government

909. SHRI MENTAY PADMANABHAM: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Central Government is deducting the dues of the State Governments while remitting the share of States as per the recommendations of the Finance Commission;

(b) if so, what are the State-wise details of the deduction made by the Central Government during the year 1992-93; and

(c) whether any State Government have objected to this practice?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY):

(a) Yes, Sir. Finance Commission devolutions are only some of the items of transfer out of the total transfer to the State Governments. In case any State Government defaults in their payment of dues to the Centre, adjustment is made from amounts payable by the Centre to the State Governments including Finance Commission devolutions, if necessary.

(b) An amount of dues of Rs. 51.76 crores was deducted from the Finance Commission devolutions made to Assam during 1992-93 (upto January, 1993).

(c) No, Sir.

Reduction in Fiscal Deficit

910. CHOWDHRY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether Government expects its interest payments to go up by Rs. 6000 crores next year making its task of further reducing the fiscal deficit during the year 1993-94 much more difficult; and

(b) if so, what steps are proposed to be taken by Government to find out the alternatives to reduce the fiscal deficit?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Government's total interest payments next year are estimated at Rs. 38,000 crores, as against Rs. 32,500 crores in the Revised Estimates 1992-93. However, as shown in the Budget presented on 27th February, 1993, it has been possible to reduce the fiscal deficit as a percentage of estimated G.D.P. in 1993-94, through a combination of measures to contain overall Non-Plan expenditure, excluding interest payments, and improve tax and non-tax revenue receipts.

Ray Committee Recommendations

911. CHOWDHRY HARI SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether the H. N. Ray Committee set up by Government to go into the pay and DA of the employees of the Central Government and Public Sector Undertakings has submitted its report;

(b) if not, the reasons for the delay; and

(c) if the report has already reached Government what are the salient recommendations made by this Committee and what are the financial implications involved therein?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY):

(a) Yes, Sir.

(b) Does not arise.

(c) The major recommendations of the Committee relate to (i) the setting up of a new Pay Commission, (ii) changing the existing neutralisation formula for payment of dearness allowance, (iii) identification of common "Bench Mark" posts

in the Government, Public Sector Enterprises and Banks with a view to achieving broad parity in emoluments among these posts in due course, (iv) reduction in the number of employees by 10—15 per cent and (v) curtailment in LTC and overtime allowance. The financial implications of the recommendations have yet to be worked out.

NRI Bonds for Telugu Ganga Project

912. DR. NARREDDY THULASI REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Government of Andhra Pradesh have asked the Central Government to give permission to issue NRI bonds for collecting additional fund for Telugu Ganga Project;

(b) if so, the details thereof;

(c) whether the Central Government have given the permission; and

(d) if not, the reasons thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The Government of Andhra Pradesh sought permission for floating NRI bonds for financing the Telugu Ganga Project in December, 1990.

(c) and (d) The proposal has not been agreed to as according to the Government policy, issue of public sector bonds is restricted only to those undertakings which are wholly or partly owned by Central Government. The proposals for issue of bonds by undertakings of State Governments tied to a particular project is, effectively, only another form of Government guaranteed borrowings and would pre-empt resources from the Government's external borrowings programme, which is subject to a predetermined limit owing to prudential considerations.

Non-utilisation of external assistance

913. SHRI MENTAY PADMANABHAM:

DR. NAUNIHAL SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether about dollar 20 billion of external assistance both bilateral and multilateral remains unutilised;

(b) if so, what are the reasons therefor;

(c) how much damages have been paid by Government so far for non-utilisation of this external assistance; and

(d) what steps have been taken by Government for utilisation or return of this assistance?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) Most of the external assistance is tied to specific projects and disbursements are therefore linked to the project implementation schedule. The pace of actual implementation varies from project to project. However, the loan amount not utilised during a particular financial year does not normally lapse and would be carried forward for utilisation in subsequent years.

(c) Government has to pay no damages for non-utilisation of external assistance. However, a service (or commitment) charge of 0.5 per cent is to be paid to IBRD, Germany, ADB and France on undrawn balances.

(d) Government have taken a number of steps to accelerate the implementation of externally aided projects and the utilisation of external assistance. These include simplification of procedures for release of foreign exchange and tender evaluation, passing on of 100 per cent external assistance to States, and advance