

*182. (The Questioner (Shri Gaya Singh) was absent. For answer vide col infra.)

*183. [Transferred to 18th April, 1994]

MR. CHAIRMAN: Question No. 184. Mr. O. P. Kohli.

Foreign Debt Payable by India

*184. SHRI O. P. KOHLI: willl the Minister of FINANCE be pleased to refer to answer to Unstarred Question 56 given in the Rajya Sabha on the 22nd February, 1994 and State what is the break up of the amount of external debt being repaid as principal as well as the debt servicing charges, inckiding interest on loans, annually?

THE MINISTER OF STATE TN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): The repayment of l principal and payment of interest made cin external debt outstanding including defence debt and NRI deposits, was US \$4534 million and US \$3687 million during 1991-92 and US \$4447 million and US \$3725 million during 1992-93 respectively.

श्री ओ०पी० कोहली : महोदय, मैं मंत्री महोदय से यह जानना चाहूंगा कि पिछले 2 वर्ष में वित्त वर्ष 1991-92 और 1992-93 में अनयूटिलाइज्ड लोन पर हमें कितना कमिटमेंट चार्ज देना पड़ा है ? कमिटिड लोन के अनयूटिलाइज्ड रहने के लिये कौन से कारण जिम्मेदार हैं और यूटिलाइजेशन की स्थिति में सुधार करने के लिये सरकार ने क्या उपाय किये हैं ?

डा० अबरार अहमद : सर, जो माननीय सदस्य ने कमिटमेंट लोन के यूटिलाइज न होने के बारे में पूछा, उस संदर्भ में मैं आपके माध्यम से माननीय सदस्य को बताना चाहूंगा कि उसके अन्दर जिस भी प्रोजेक्ट के लिये या जिस भी कार्य के लिये ऋण लिया जाता है, उसमें कई फैक्टर्स इन्वाल्व होते हैं और प्रयास यही किया जाता है कि समय पर वह

ऋण यूटिलाइज हो। लेकिन उन सभी फैक्टर्स के सम्मिलित मिश्रण के कारण वह समय पर पूरा नहीं हो पाता। उस को पूरा करने का प्रयास किया जाता है। लेकिन कई मिश्रित कारण होते हैं।

जहाँ तक माननीय सदस्य ने इसमें जो अन्य बातें पूछी हैं, इसके लिये माननीय सदस्य सेपरेट नोटिस दें।

श्री प्रमोद महाजन : वह अन-यूटिलाइज्ड लोन पूछ रहे हैं, आप आंकड़े बता दीजिये। काहे के लिये सेपरेट नोटिस चाहिये ? (व्यवधान)

SHRI VIREN J. SHAH: Why is a separate notice required? It should not be the style of (Interruptions.) ...

What is the need for a separate notice ?

आप एक जवाब रट कर आ गये और जवाब बोन दिया कि सेपरेट नोटिस चाहिये।

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Mr. Chairman, Sir, the hon. Member has put a question about the unutilised portion of debt. The debt figures are the figures of debt outstanding and disbursed. But as far as she unutilised portion of aid is concerned, there are commitment charges, I am speaking from my memory. My information is that the bulk of our uncommitted debt is from the World Bank on which a commitment charge of 0.25 percentage is paid.

As regards the total amount, it is not very large. It is probably about \$25 million. But I am subject to correction. I will make the figures available to the hon. Member. He has asked what the reasons for this are. Now there are several reasons for his development. A major reason is that very large proportion of these project's happen to be in the State sector. Many of these projects are now in the area of social sector. There problems have arisen with regard to speedy implementation of projects. There have been administrative problems. There have been financial pro-

blems in the Slate sector. So the utilisation has not been as good as it ought to be. In the current Budget year in recognition of this fact we had to increase the assistance to the States to accelerate the pace of utilisation of externally-aided projects by over Rs. 3000 crores. That is one factor.

Then, there are several other problems that arise with regard to contracting. We are trying to deal with that problem also. We are trying to have standard contracting forms conforming to what the international practice is. One that thing is done, I think some of these problems that have arisen over a period would disappear. But a major problem has been lack of adequate matching counterpart funds with the State Governments. There has been a tendency in several States to divert resources to other projects and the externally-aided projects have not received the attention which they deserved.

MR. CHAIRMAN: Shri Md. Salim.

DR. NAUNIHAL SINGH: Is it aid or debt?

SMRI O. P. KOHLI: I have not put my second supplementary.

MR. CHAIRMAN: The Minister has given an exhaustive reply. So, I am asking Mr. Md. Salim to put his supplementary.

SOME HON. MEMBERS: Mr. Kohli has put his first supplementary only. What about his second supplementary?

MR. CHAIRMAN: I am sorry. I apologise.

श्री श्री० पी० कोहली : सभापति महोदय, मेरा सैकेंड सप्लीमेंटरी है। क्या मंत्री महोदय यह बतायेंगे कि 1993 के दिसम्बर तक हमारी टोटल लाये-बिलिटीज क्या है और उनके मुकाबले में हमारे कुल एसेट्स कितने हैं? लाये-बिलिटीज एसेट्स से कितनी ज्यादा है?

डा० अब्दुल क़दूर : महोदय, टोटल आउटस्टैंडिंग डेट स्टॉक यू.एस. बिलियन

डालर्स में है। 1991-92 के अन्दर 85.33 यू.एस. बिलियन डालर्स था, 1992-93 के अन्दर 90.09 बिलियन डालर्स और 1993-94 के अन्त में 90.39 बिलियन डालर्स कुल आउटस्टैंडिंग था। महोदय, मैं आपके माध्यम से यह भी बताना चाहूंगा कि एक्सेचेंज डेट स्टॉक यू.एस. बिलियन डालर्स में है वह 92-93 के अन्दर वही कम यानी प्वाइंट 30 बिलियन डालर्स है और इसके साथ साथ जो डेट सर्विस एट-परसेंट करन्ट रिसीट है वह भी 91-92 में 31.2 थी वह 92-93 में घट कर 30.08 हो गई। (व्यवधान)

श्री संघ प्रिय गौतम : इस वक्त कितनी है सीधा सवाल है? (व्यवधान)

श्री० विजय कुमार मलहोत्रा : होटल लाइबिलिटी बताइये हमारी गवर्नमेंट की क्या है? (व्यवधान)

MR. CHAIRMAN: The Finance Minister is replying, Mr. Malhotra. Please listen to him.

SHRI MANMOHAN SINGH: Mr. Chairman, Sir, my colleague has given a straight answer. He is mentioning about the latest available figures. At the end of September 1993, the total debt outstanding was 90.39 million dollars. He has given a straight answer. This is a question about foreign debts.

PROF. VIJAY KUMAR MALHOTRA: What is the liability?

SHRI MANMOHAN SINGH: What is the liability? You define it. If you do not know anything, I cannot help it.

SHRI MD. SALIM: The Minister has supplied us the figures relating to 1991-92 and 1992-93. But now the Finance Minister has already presented the Budget for 1994-95. So, I want to know the corresponding figure for the year 1993-94.

SHRI MANMOHAN SINGH: Sir, I have already mentioned that the debt figures that we have are the debt disbursed figures. The year is still not out. We

are still collecting a lot of bills. For examples, payments will be made in the month of March. It is only after some time that I will be able to tell the position as to what the outstanding debt as of 31st March, 1994 is.

PROF. SAURIN BHATTACHARYA: I think an unnecessary heat *has* been generated on this question. We are contracting debts, we have been in the habit of contracting debts. (*Interruptions*) Now, a clear statement regarding the debt liability is called for. In the Budget of 1994-95 there is something, *no* doubt, which was the theme of Mr. Sa-lim, but here the original question wanted different components of debt servicing. What was principal amount which was repaid? Secondly, what was the interest that was repaid? It also implied what the rate of interest was when the debt from the IMF, the World Bank or the ADB was contracted. The total debt figure has been given by the Finance Minister himself after a straightforward answer by his Minister of State. But this break-up is very much called for and I think the House will be grateful to the Finance Minister if the vexed problem gets a more direct answer....

MR. CHAIRMAN: You want a breakup to be given. I am requesting the Minister to do that, please conclude. The Minister will give you the break-up, if possible.

PROF. SAURIN BHATTACHARYA: That, is what we want to know. They have landed us into this position, that is another aspect, but he should give us a straight reply.

SHRI MANMOHAN SINGH: If I remember correctly, the interest paid is mentioned in the Economic Survey. We also bring out figures about this from time to time. We published last year the figure external debts. For the first time we have taken the country into total confidence mentioning the debts that are repayable to the former Soviet Union. All these figures are

available. If the hon. Member wants them to be supplied to him, I will be very happy to make it available.

PROF. SAURIN BHATTACHARYA: But that is the question.

SHRI MANMOHAN SINGH: I would also like to say that there is no simple answer to this question because the rate of interest varies from debt to debt. I have thousands of debt agreements. I cannot provide all that information.

MR. CHAIRMAN: Shri Jagesh Desai (*Interruptions*).

PROF. SAURIN BHATTACHARYA: The question should not have been admitted.

MR. CHAIRMAN: The Minister has said that he is willing to give you the information.

PROF. SAURIN BHATTACHARYA: I will be happy if he gives it to the House.

MR. CHAIRMAN: He has said he is willing to give the information. Will I for that. Shri Jagesh Desai.

SHRI JAGESH DESAI: The Government is very concerned about the debt trap and it has decided that it will repay the 104 billion dollars which was to be paid one year hence. That is to be paid in this year, I congratulate the Minister for that. One of the main factors for not retaining the foreign loan, as rightly pointed out, is that a matching contribution is not there by the State Governments for the projects of the State Governments. If I remember correctly, a matching contribution was not made for the public sector projects and the Central Government projects by the Central Government. I would like to know from the Minister whether the Central Government will see that the on-going projects are financed and completed as early as possible so that escalation charges may not be there and whether the Government will try its best to see that these projects are completed as early as possible.

SHRI MANMOHAN SINGH: It is our constant effort. We have been discussing these matters with the State Governments. We shall intensify the efforts in the course of the next year.

SHRI VIREN J. SHAH: I would like to ask the hon. Minister about the numbers, figures, amounts given in rupees, in the various Budget documents, about the outstanding total debt of the Government which includes external debt which is in dollars. I would like to know about the exchange rate of the rupee. What is the particular rate? Is it the exchange of the rupee when the loan is taken or is it the exchange rate of the time of borrowing? Which is the basis for these numbers? Part of the external debt is in dollar terms. Is the exchange rate as on 31 March, 1993 applicable? Or is it the earlier borrowing rate?

SHRI MANMOHAN SINGH: It is at the prevailing exchange rates.

MR. CHAIRMAN: Question No. 185.

Government's Debt to RBI

*185. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state

(a) the total RBI debt outstanding against Government;

(b) the interest paid on account of this in the current year as well as to be paid in each of the next five years; and

(c) whether, as part of fiscal reforms, Government would consider entering into an arrangement with the Reserve Bank of India for writing off of such debt?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The debt to RBI at the end of December, 1993 amounted to Rs. 1,05,706.88 crores.

(b) The interest payments in the current financial year are estimated at Rs. 5850 crores. The liability in future years will depend on the size of the debt emerging from time to time.

(c) There is no proposal under consideration of Government.

SHRI ASHOK MITRA: Sir, most of the debt is on account of the dumping of treasury bills by the Government on the Reserve Bank of India and the interest payments accrued on that account. It is a bit like a merry-go-round; the Government is paying the Reserve Bank of India and the Reserve Bank of India is returning it to the Government in the form of income or profit. I understand there are some technicalities and legalities involved. But, since the Finance Minister has announced his intention to phase out the issue of ad hoc treasury bills, would he kindly contemplate some special legislation whereby this irritant of back-and-forth business is finally dispensed with?

SHRI MANMOHAN SINGH: Mr. Chairman, it is not clear to me what special legislation the hon. Member has in mind. The purpose of the decision that I announced in the course of my Budget speech is to ensure that over a period of three years, the Central Government would cease to have any recourse to the issue of *ad hoc* treasury bills in favour of the Reserve Bank of India. That is the commitment that I have given. With a beginning this year, we will move on to the final destination point in a period of three years. It is not clear to me what sort of legislation he wants.

SHRI ASHOK MITRA: I was trying to be helpful to the Finance Minister. In the debit account and the credit account, the same amount appears. Why don't you get rid of it once and for all?

SHRI MANMOHAN SINGH: That would be a disastrous advice. I have great regard for my great friend. But it would be a sad day when the Reserve Bank of India also has to be declared as a bankrupt institution because the Reserve Bank of India's main source of income is the interest that it earns and I would like the House to be taken into confidence about the net income of the