

Release of Pawned gold

2657. SHRI O. P. KOHLI: Will the Minister of FINANCE be pleased to state:

(a) whether the 'Pawned' gold shipped by the RBI in 1991 to raise loans to meet the country's foreign exchange obligations is still lying in the vaults of the Bank of England and the Swiss Banks, although the money borrowed has been repaid in full;

(b) if so, whether in the interest of national honour and prestige, the gold would be brought back to the country; and

(c) if so, when Government propose to bring that gold back to the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) to (c) The gold which earlier had been pledged abroad in order to raise the necessary loans is back in our possession. As a part of the overall management of external reserves, the Reserve Bank of India keeps a certain part of its gold holdings in short-term interest bearing deposits. This is done with the objective of earning an income on gold holdings of the RBI.

Payment of foreign and Indian loans by Industries

2658. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made a provision in the Union Budget for 1994-95, for the Indian Industries to prepay payment of foreign loans;

(b) if so, whether in view of (a) above Government would consider extending similar facility in regard to Indian loans to enable Indian Industries to prepay payment of such loans i.e. loans taken from Financial Institutions/Banks etc.; and

(c) If not, what impediment Governments foresee in extending the ambit of this facility?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) No, Sir.

(b) and (c) Resources for pre-payment of foreign currency and Indian loans are expected to be generated out of the companies own resources, except where exchange losses under the Exchange Risk Administration Scheme are concerned. Budgetary provision for the latter would be made as and when required.

Market borrowings for Central and State Governments

2659. SHRI SANJAY DALMIA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have made a provision in the Union Budget for 1994-95 for the Centre to go in for market borrowings, to enable Government to depend less and less on RBI;

(b) whether Government propose to extend the same facility to the State Governments will not be adjustable against any kind of Central loan/assistance which the States get as their allocation for their plan outlay, also keep the States out of purview of the RBI loan; and

(c) if so, by when and if not, what are the impediments Government envisage to encounter in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Centre's Budget for 1994-95 has assumed a net receipt of Rs. 3700 crores from market borrowings.