

[6 July, 2004]

RAJYA SABHA

Foreign exchange reserves

44. SHRI RAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that foreign exchange reserves have swelled to over US\$ 100 billion by the end of year 2003;

(b) if so, how Government propose to utilise this amount at the optimum level;

(c) whether Government would prepay outstanding loans; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM) (a) Yes, Sir. India's foreign exchange reserves stood at US\$ 103.1 billion as on December 31, 2003.

(b) The overall approach to management of India's foreign exchange reserves reflects the changing composition of the balance of payments and the 'liquidity risks' associated with different types of flows and other requirements. The policy for reserve management is thus judiciously built upon a host of identifiable factors and other contingencies. Taking these factors into account, India's foreign exchange reserves continue to be comfortable and consistent with the rate of growth, the share of the external sector in the economy and the size of risk-adjusted capital flows.

(c) and (d) The significant increase in forex reserves enabled prepayment of external debt on Government account amounting to US\$2.9 billion in 2002-03 and US\$3.8 billion in 2003-04.

Merger of DFIs

45. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is a proposal to merge all Development Financial Institutions (DFIs) into one single entity;

(b) if so, the details thereof;

(c) what are the advantages of such a merger;

(d) whether any study has been done on this matter; and

(e) the steps proposed to be taken to ensure that trade and industry do not suffer by such mergers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) No, Sir.

(b)to (e) Do not arise.

PAN Cards

46. SHRI S.M. LALJAN BASHA: Will the Minister of FINANCE be pleased to state:

(a) the number of PAN cards issued in the country as on date by the Income-Tax Department;

(b) whether Government are aware that the possession of a PAN card is bothersome to small income people; and

(c) the steps proposed to reduce harassment of fixed and low income people?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Total number of PAN Cards issued in the country by Income Tax Department upto 29th June, 2004 is 3,31,52,859.

(b) and (c) A number of steps have been taken to facilitate the process of obtaining PAN Card by fixed income and low income people. Application forms for PAN can now be obtained from UTI Investor Services Ltd. (UTIISL), National Securities Depository Ltd. (NSDL), local printers or stationers, and can also be downloaded from the website of Income Tax Department. The completed applications can be submitted at any outlet of UTIISL or NSDL. After the application is processed, PAN Card is delivered at the address mentioned by the applicant.

External Debt

47. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE be pleased to state:

(a) what is the country's external debt at the end of the last financial year, *i.e.* 2003-04; and

(b) what steps are being taken or are proposed to be taken to reduce the external debt?