

(b) if so, whether Russia has committed to provide all the defence tie base that were existing earlier;

(c) whether he also visited the other States of the erstwhile Soviet Union; and

(d) if so, the outcome of the visit?

THE MINISTER OF DEFENCE (SHRI SHARAD PAWAR): (a) Yes, sir.

(b) The Russian Government has provided assurances for continued Defence Cooperation. However, the terms and modalities for defence transactions have undergone certain changes on account of the obtaining situation in Russia.

(c) and (d). Raksha Mantri has since also visited Ukraine; understandings have been reached with the Ukrainian leadership on Defence Cooperation and the modalities thereof.

#### **Seminar on Capital Market**

910. SHRI R. SURENDER REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether a two-day seminar on emerging capital market was held in Delhi in October, 1992;

(b) the details of the suggestions made at the seminar; and

(c) the reaction of the Union Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir.

(b) The main suggestions made at the seminar relate to the need for examining the role of foreign investment in meeting the

requirements of the country, curbing fraudulent practices in the capital market, total disinvestment of Government equity in certain non-core areas, undertaking comparative studies on public and private sector by the Institute of Company Secretaries of India (ICSI); contribution towards steps to be taken to cure the present ills in the capital market by institutes like ICSI, development of true equity by the Company Secretaries through their employer companies, self regulation by companies, streamlining the provisions of the companies Act, mobilising foreign exchange, removing the lock-in-period for Global Depository Receipt (GDR) issues by Indian companies, etc.

(c) The Government are aware of the issues raised at the seminar. It is expected that Securities and Exchange Board of India (SEBI) will be in a position to effectively deal with the fraudulent practices in the capital market, once the regulations under the SEBI Act are notified. The Government have already waived the lock-in-period on GDR issues.

#### **Foreign Debt**

911. SHRI CHANDULAL CHANDRAKAR: DR. K.D. JESWANI: PROF. RASA SINGH RAWAT:

DR. A.K. PATEL:  
SHRI VILAS MUTTEMWAR:  
SHRI ANAND AHIRWAR:  
SHRI SIMON MARANDI:  
DR. ASIM BALA:  
SHRI JANARDAN MISRA:  
SHRI SANAT KUMAR MANDAL:  
SHRI VIJAY KUMAR YADAV:  
SHRI R. JEEVARATHINAM:

Will the Minister of FINANCE be pleased to state:

(a) whether there has been a considerable increase in the foreign debt during the current financial year in comparison to the last three years;

(b) if so, the details thereof currency-wise and year-wise;

(c) whether the Union Government have requested for further loan from the World Bank/IMF/other multi-national agencies during the Eighth Five Year Plan period;

(d) if so, the details thereof and its impact on the common people;

(e) how much out of it would be adjusted in interest: payment and repayment of loan;

(f) whether any time limit has been fixed to repay the out-standing amount;

(g) if so, the details thereof and the amount of interest and amount of loan paid during the said period, currency-wise and year-wise; separately; and

(h) the steps taken/long term measures initiated by the Government to free the country from foreign debt?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR):** (a) and (b). Information is given in the attached statement.

(c) and (d). Aid negotiations with foreign countries/institutions are a continuous

process. The aid requirement of the country is normally assessed on a year to year basis, keeping in view the import requirements of the economy, likely debt service liability and the overall international aid climate.

(e) The foreign loans are being repaid out of the country's foreign exchange inflows including export proceeds and invisible earnings, according to the terms and conditions of each loan.

(f) and (g). The foreign loans are being repaid, as and when due, according to the terms and conditions of each loan. The maximum maturity period of existing foreign loans is 50 years including a grace period of 10 years.

(h) Government is conscious about the country's external debt liability and keeps a constant watch on the level of country's indebtedness and likely burden of debt servicing. While contracting foreign loans, it is always kept in view that the debt burden and the debt servicing liability of the country does not exceed the capacity of the economy to service such loans. Government has already introduced a programme of economic reforms aimed at short term stabilisation combined with longer term restructuring. These reforms would improve the economic condition of the country and revitalise our growth process, including our export earning capacity, so as to enhance our capacity to repay the loans and to ensure that this debt servicing burden does not exceed the capacity of the economy to service such loans.

## STATEMENT

(In Millions)

Sl.No.	Name of Currency	1989-90	1990-91	1991-92	1992-93 (East) (Upto Sept., 92)
1	2	3	4	5	6
1.	U.S. Dollar	17141.5	17923.8	18973.8	18842.9
2.	S.D.R.	4925.1	6221.3	7473.6	8012.0
3.	UAE Dirhams	27.2	22.7	18.1	15.9
4.	Aust, Shilling	542.4	632.3	633.1	629.1
5.	Belgium/France	3764.3	3574.8	3436.0	3515.4
6.	Can. Dollar	674.2	660.2	643.5	634.4
7.	Den. Krone	987.6	977.7	964.7	956.5
8.	Fr. France	6432.2	6561.4	6774.5	6871.4
9.	D. Mark	5402.8	5586.6	5971.0	6161.6
10.	J. Yen	411960.0	460362.0	547944.0	550058.1
11.	Kuwait Dinaar	55.4	55.3	47.7	46.0
12.	D.G.	1858.2	1902.6	1882.9	1842.4

Sl.No.	Name of Currency	(In Millions)					
		1989-90	1990-91	1991-92	1992-93 (East) (Upto Sept, 92)	6	
1	2	3	4	5	6		
13.	Saudi Riyal	276.0	300.5	301.4	283.4		
14.	SW. Fr.	126.1	184.4	208.8	210.2		
15.	SW. Kr.	50.8	360.2	458.1	516.8		
16.	Pound Str.	195.2	168.1	142.6	130.7		
17.	Rouble	856.1	942.9	939.7	947.3		
18.	Ruppee	359.6	523.4	519.6	514.6		
	E.C.B.						
1.	U.S. Dollar	6615	7087	8127			
2.	J. Yen	451334	346612	607058			
3.	D.M.	2057	2219	2581			
4.	Pound Str.	368	356	370			
5.	S. France	815	731	771			
6.	Fr. Fr.	420	289	1219			
7.	Others (Equivalent to US Dollar)	868	730	527			

Note: Currency-wise break up of debt outstanding as on 30.9.92 in respect of External Commercial Borrowings is not available. However it is estimated to be equivalent to US dollar 14286 million.