

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) The following countries have availed of GOI Credits during the last three years :

Country/Year	Amount
Tajikistan (1994)	US\$ 5 Mn
Mauritius (1994)	US\$ 3.2 Mn
Uzbekistan (1994)	US\$ 10 Mn
Turkmenistan (1995)	US\$ 5 Mn
Kazakhstan (1995)	US\$ 10 Mn
Kyrgyzstan (1995)	US\$ 5 Mn
Turkmenistan (1995)	US\$ 10 Mn
Sri Lanka (1996)	US\$ 15 Mn
Vietnam (1996)	US\$ 90 Crores
Sri Lanka (1997)	US\$ 15 Mn
Mauritius (1997)	US\$ 3 Mn

(b) The period of scheduled repayment which is generally spread over a period of 12 years including 3 years moratorium for capital goods and 3 years for consumer durables/consultancy services including one year's moratorium is yet to expire.

(c) Does not arise.

#### Policy for Pension and Provident Fund

1232. SHRI NAMDEO DIWATHE :  
SHRI ANANT GUDHE :  
SHRI SANAT KUMAR MANDAL :  
SHRI SARAT PATTANAYAK :  
SHRI CHITTA BASU :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government propose to make changes in the policy for deployment of pension and Provident Funds for investment in the capital market to induct liquidity into the system and ensuring better return to the employees;

(b) if so, the details thereof;

(c) the present status of the proposal; and

(d) the implications of the changes proposed by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (d) The Ministry of Labour, on the recommendations of the Central Board of Trustees of Employees' Provident Fund Organisation, has proposed certain changes in the policy for deployment of pension and provident funds, in order to increase the earnings of the Funds. The matter is under consideration.

#### Probe Into Bank Collusion in Shoe Scam

1233. SHRI RAMSAGAR : Will the Minister of FINANCE be pleased to refer to the reply given to Unstarred Question No. 533 Dated November 22, 1996 regarding "probe into banks collusion in shoe scam" and state :

(a) whether the information has since been received;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) The Hon'ble Member is presumably referring to the Assurance given to Unstarred Question No. 533 dated 22nd November, 1996. The Reserve Bank of India (RBI) have reported that a communication has been received from Deputy Commissioner of Police, Mumbai stating that an offence under IPC has been registered against some leading shoe companies and various leather cooperative societies to investigate into the alleged misutilisation of finance meant for weaker sections of society such as artisans/cobblers co-operative societies. The policy has not referred to irregularities on the part of financing banks.

As desired by the policy authorities, RBI, in January, 1997, has advised all concerned commercial banks to supply the details of transactions, from 1980 onwards, with any of the listed cobbler co-operative societies. The banks are in the process of supplying the above information. RBI have also reiterated to the banks that while sanctioning/disbursing loans and advances and other facilities under priority sector to artisans/their cobblers' societies, they are expected to ensure that the applicants are genuine and are engaged in the activity for which the particular scheme is designed. Banks have also been advised that none of the procedures (including verification of genuineness of the borrowing parties) laid down for grant of loans/advances should be overlooked merely because guarantee have been obtained therefore. It has also been reiterated to banks that they are expected to have an effective post-disbursement supervision and follow-up of loans/advances to ensure the end use of funds/loans.

#### Disbursements by Financial Institutions

1234. SHRI SULTAN SALAHUDDIN OWAISI :  
SHRI BHAKTA CHARAN DAS :

Will the Minister of FINANCE be pleased to state :

(a) whether the aggregate assistance sanctioned by the financial institutions in the country during 1995-96 has registered an increase over the sanction of previous year;

(b) if so, the total amount sanctioned to States by the financial institutions during the above period and

the percentage of increase registered, State-wise and institution-wise;

(c) whether amount of disbursement has also grown during the above period; and

(d) if so, the details thereof, State-wise and institution-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (c) Yes, Sir.

(b) and (d) The information is being collected and will be laid on the Table of the House to the extent available.

### Wasteful Expenditure

1235. SHRI SANDIPAN THORAT : Will the Minister of FINANCE be pleased to state :

(a) whether a number of Government departments embark on expenditure spree in a bid to utilise the entire allocation in March;

(b) if so, whether any assessment has been made by the Government in this regard;

(c) if so, the details thereof;

(d) the steps taken/proposed to be taken to avoid wasteful/avoidable expenditure; and

(e) the details of fresh guidelines formulated/proposed for strict compliance by the Government Departments?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (c) Under the General Financial Rules, the Department of the Central Government administratively concerned of the authority on whose behalf a Grant or Appropriation is authorised by Parliament, shall be responsible for the control of expenditure against the sanctioned grants and appropriations placed at its disposal. These rules also prescribe that rush of expenditure particularly in the closing months of the financial year shall be regarded as a breach of financial regularity and should be avoided. Instructions have also been issued by this Ministry in June, 1996, laying down guidelines on expenditure management, fiscal prudence and austerity. These guidelines, inter-alia, require Ministries/Departments to work out and monitor monthly cash flow of revenues and expenditures with a view to ensuring that there is no overexpending.

### Trade Relation with SAARC Countries

1236. SHRIMATI VASUNDHARA RAJE : Will the Minister of COMMERCE be pleased to state :

(a) whether the Government have taken any steps to improve and expand trade relations with SAARC countries;

(b) if so, the details thereof;

(c) the present position and the policy of the Government with regard to India's trade relation with those countries; and

(d) the steps taken in that direction since the Dhaka Declaration came into effect on December, 1995?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (d) It is Government of India's policy to promote trade with all SAARC Member neighbouring countries namely, Nepal, Bhutan, Bangladesh, Sri Lanka, Maldives and Pakistan. Formal Bilateral Agreements have been signed with each one of these countries except Pakistan. Trade preferences have been exchanged through Indo-Nepal Treaty of Trade and India-Bhutan Trade Agreement. Most Favoured Nation (MFN) Trade Agreements have been signed with Bangladesh, Sri Lanka and Maldives. In the case of Pakistan, Government of India accords MFN treatment to all import from Pakistan as per the normal Export-Import Policy. However, Government of Pakistan are following a restrictive trade policy, allowing only a specified number of items to be imported by the Pakistani traders from India. Efforts are being made to persuade Pakistan to accord MFN treatment to imports from India.

2. The South Asian Association for Regional Cooperation (SAARC) comprising Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka came into being on 8th December 1985 with the basic objective to accelerate the process of economic and social development in the Member States through joint action in the agreed areas of cooperation. The Heads of State or Government of the SAARC Member States have been meeting periodically to monitor the progress of cooperation. It was in the 7th SAARC Summit held in Dhaka in April, 1993 that a declaration was made by the Heads of State (also known as Dhaka Declaration) emphasising the "need to liberalise trade as early as possible through a step by step approach". An agreement was signed for SAARC Preferential Trading Arrangement (SAPTA) in Dhaka on 11th April, 1993 which came into effect on 7th December, 1995. The intention was to progressively reduce the tariff incidence for intra-regional trade. Two rounds of negotiations have been held for reduction of tariffs for intra-regional trade. Tariff concessions have been exchanged on 484 tariff lines at six digit level at the conclusion of the first round of negotiations and concessions on additional 1975 tariff lines have been exchanged at the conclusion of the second round of negotiations.

3. The Least Developed Countries namely Nepal, Bhutan, Bangladesh and Maldives have been treated as a separate entity giving better treatment in the matter of trade preferences.

4. It is proposed to set up a total Free Trade Area in the SAARC Region preferably by 2000 A.D. but not later than 2005 A.D.