

(b) if so, the amount thereof;

(c) whether the Government have any plan to avail further loan from the I.M.F. during 1997-98; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) No, Sir.

(c) and (d) No, Sir.

[*Translation*]

#### **Suggestion by the World Bank and IMF**

3299. SHRI PANKAJ CHOWDHARY:  
DR. RAMKRISHNA KUSMARIA:

Will the Minister of the STATE IN THE MINISTRY OF FINANCE be pleased to state:

(a) whether the World Bank and International Monetary Fund are exerting pressure to Control the financial loss and to lower down subsidy;

(b) if so, the details thereof; and

(c) the reaction of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (c) Policy making is the sovereign right of the Government of India and there is no question of the World Bank, IMF or any external agency exerting pressure on the Government of India to accept its suggestions. However, World Bank, in its Country Economic Memorandum'96, has suggested that India should reduce the fiscal deficit and reduce/retarget the subsidies, in particular the fertilizer and food subsidy. Similar suggestions were also made by the International Monetary Fund.

[*English*]

#### **External Audit of Finance Institutions**

3300. DR. M. JAGANNATH: Will the Minister of FINANCE be pleased to state:

(a) whether the Government propose to introduce external auditing for financial institutions besides inspections by the RBI to detect mistakes;

(b) if so, when it is likely to be introduced; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) The accounts of all-India financial institutions (AIFIs) such as Industrial Development Bank of India, Industrial Finance Corporation of India Limited, Industrial Reconstruction Bank of India and Industrial Credit and Investment Corporation of India Ltd. are being audited every year by statutory/external auditors.

It may also be added that a Board for Financial Supervision (BFS) was constituted under the aegis of Reserve Bank of India (RBI) in November 1993 to oversee the supervision financial system comprising banks, AIFIs and non-banking financial companies. At present, AIFIs are subjected to 'On-site' inspections bi-annually.

(c) Does not arise.

#### **Selection of Chief Election Commissioner**

3301. SHRI SANAT MEHTA: Will the Minister of LAW and JUSTICE be pleased to state:

(a) whether the Government have accepted the recommendations of the Goswami Committee regarding the selection of the Chief Election Commissioner;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP): (a) to (c) The mode of appointment of Chief Election Commissioner is one of the proposals on Electoral Reforms which are being discussed by the Government with the political parties. No decision in the matter, however, has yet been taken.

#### **Foreign Exchange Outflow**

3302. SHRI GEORGE FERNANDES: Will the Minister of INDUSTRY be pleased to state:

(a) whether the Government have information of the foreign exchange outflow on account of royalty, import of mahinery, purchase of technology, import of kits in CKD condition, import of manufactured vehicles, transfer of profits by the automobile sector including four wheelers, three wheelers and two wheelers in the country;

(b) if so, the details thereof during the last three years;

(c) whether the Government are aware that the outflow of foreign exchange far exceeds the foreign exchange earned through export of automotive vehicles from India;

(d) if so, the details thereof; and

(c) the steps are proposed to be taken to prevent this large outflow of foreign exchange?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Import of machinery, etc. is under Open General License and a number of agencies are involved in remittance on account of royalty, import of technology, profits, etc. relating to different types of automotive vehicles. Such data is exhaustive and is not maintained centrally.

(c) Outflow of foreign exchange on import of