

(c) whether Indian banks abroad are also participating in arranging off-shore funds ; and

(d) whether such off-shore loans also involve arrangements for currency swap ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (d) A statement is given below :

Statement

Government Access to Off-Shore Funds

Parts (a) and (b)

Undertakings both in the private and public sectors are selectively permitted by Government to raise commercial loans abroad through various international banks and financial institutions operating in India and outside India, mainly for financing the requirements of projects. Such borrowings have been organised on quite attractive terms.

Part (c) Yes, Sir.

Part (d) Currency Swap does not normally form a part of the original loan mechanism but has been resorted to separately, in a few cases with a view to reducing the debt service costs of the borrower.

SHRI SATYENDRA NARAYAN SINHA : May I know whether part of these off-shore funds are actually black money abroad, and if so, what are the steps that are taken by the Government to prevent their inflow ?

SHRI JANARDHANA POOJARY : Black money ? This information, we are hearing for the first time. We will look into it.

SHRI SATYENDRA NARAYAN SINHA : I would like to know, whether the Government is giving some commission to certain agents to arrange funds, and if so how much is given, and whether the Central Bank and the other banks too give it and are involved in commercial transactions for arranging these funds.

SHRI JANARDHANA POOJARY : We are not giving any commission to any individual parties and in fact this money

should be routed through the prime financial banks, that is, the norms that have been fixed.

[Translation]

Indo-Pak Trade Agreement

+

*193. DR. CHANDRA SHEKHAR TRIPATHI :

SHRI VIRDHI CHANDER JAIN :

Will the Minister of COMMERCE be pleased to state :

(a) whether any trade agreement has recently been signed between India and Pakistan ;

(b) if so, the names of the commodities which India will import and export under this agreement ; and

(c) the total value of goods likely to be imported and exported every year under this agreement ?

THE MINISTER OF COMMERCE AND FOOD AND CIVIL SUPPLIES (SHRI P. SHIV SHANKER) : (a) No, Sir.

(b) and (c) Do not arise.

DR. CHANDRA SHEKHAR TRIPATHI: Hon. Speaker, Sir, the hon. Minister has very cleverly denied that any agreement was signed, but on the other hand, 'Jansatta' dated 27th January had carried a news item that an 'Adjournment Motion' was moved in Pakistan Senate against the recent agreement signed between India and Pakistan. Speaking on the Motion, the speakers had pointed out the likely disadvantages to Pakistan if it exported raw material to India in lieu of finished goods. While replying to the debate, the Commerce Minister of Pakistan, Saleem Saifulla Khan had opposed the Motion and assured the Senate that trade of Pakistan would not be adversely affected due to this agreement. This clearly shows that an agreement has definitely been signed between India and Pakistan. If no agreement has been signed, may I know whether some talk has been held in this regard ; if so the details thereof ?

SHRI P. SHIV SHANKAR : This question basically relates to trade and the supplementary asked by you also relates to agreement on trade. That was why I said that no agreement on trade has been

signed with Pakistan. Of course, some talks have been held and if you want to have some information in that regard, I can give it to you. But the position remains the same. However, during the course of his visit to Pakistan, our Finance Minister had held extensive talks on trade. It is just possible that based on those talks, some trade agreement can be signed in future, but no agreement has been signed so far.

DR. CHANDRA SHEKHAR TRIPATHI : I would like to know from the hon. Minister the goods which used to be exported to Pakistan heretofore and what impact they had on balance of payments and balance of trade ?

[English]

SHRI P. SHIV SHANKAR : I would like to explain that among items we have exported there are items like tea, iron ore and beedi leaves, aluminium phosphide tablets, tamarind, refractory bricks, machinery and transport equipment. Our exports from Pakistan had been urea, rock salt, cotton seeds, etc.

Then, so far as the question of balance is concerned, it is true that the balance had been adverse.

MR. SPEAKER : There is too much of talking on this side, right side.

SHRI P. SHIV SHANKAR : If my hon. friend wants to know, in 1984-85 the exports were to the tune of Rs. 12.91 crores while the imports from Pakistan were to the tune of Rs. 15.75 crores; the adverse balance was of Rs. 2.84 crores, so far as India is concerned.

[Translation]

SHRI VIRDHI CHANDER JAIN : The talks that were held between the Finance Ministers of India and Pakistan on 27th January.....

(Interruptions)

SHRI P. SHIV SHANKAR : Not on 27th January, talks were held from 8th to 10th.

SHRI VIRDHI CHANDER JAIN : What decision was taken after those talks ? Will the hon. Minister kindly state whether talks would be held again ;

MR. SPEAKER : Who else will hold the talks ?.....(Interruptions)

[English]

SHRI P. SHIV SHANKAR : Minutes, of course, were recorded at the meeting that has taken place in which we have the Government of Pakistan put up a list of certain items for purposes of exports from this country and imports to that country. It was also agreed that a team of senior officers from Pakistan would visit India in February, 1986. It is likely that the team of officers may visit shortly. Pakistan, of course, announced during this visit private sector trading in certain items. But that is only a matter which has got to be gone into in a little detail. For other items, trade through State organisations will have to continue. It was agreed that a joint business council would be set up between FICCI and the Federation of Pakistan Chambers of Commerce & Industry. It was also agreed to identify areas for setting up joint ventures in India and in Pakistan. It was also agreed between two countries that their trade would be conducted on the basis of GATT obligations.

Need for Streamlining the procedures for Clearance of Foreign Technical Collaboration

*194. **SHRI K. RAMAMURTHY :** Will the Minister of FINANCE be pleased to state :

(a) whether the chances of getting new foreign technical collaborations are getting adversely affected due to the cumbersome procedures for clearance of payments of royalties, lumpsum amounts, engineering fees, etc. and the conditions like getting no-objection certificates from income-tax authorities and getting them vetted by the Reserve Bank of India ; and

(b) if so, the steps being taken to streamline these procedures ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a)