

As per information contained in the publication of WTO the country's position is given below :

EXPORTS

(i) *Merchandise Trade*

| | 1995 | 1994 |
|-----------------|------|------|
| Rank | 31 | 32 |
| Share % | 0.61 | 0.60 |
| <i>Services</i> | | |
| Rank | N.A. | 31 |
| Share % | N.A. | 0.63 |

IMPORTS

(ii) *Merchandise Trade*

| | | |
|-----------------|------|------|
| Rank | 28 | 29 |
| Share % | 0.67 | 0.62 |
| <i>Services</i> | | |
| Rank | N.A. | 31 |
| Share % | N.A. | 0.73 |

(d) India's exports (merchandise trade) during 1995 are placed at US \$ 30.5 billion representing 21.5% growth over the level of US \$ 25.1 bn. during 1994. India's imports (merchandise trade) during 1995 are placed at US \$ 34.4 bn representing a growth of 28.4% over the imports of US \$ 26.8 bn in 1994.

(e) Export performance is influenced *inter alia* by international market conditions, infrastructure and trade policy framework etc. The Exim Policy for 1997-2002 would provide for increased export friendly environment during the Ninth Five Year Plan.

National Development Council

89. SHRI MAHENDRA SINGH BHATI : Will the Minister of FINANCE be pleased to state :

(a) whether the State Governments in the 47th meeting of the National Development Council had demanded a larger share of funds than what was recommended by the Tenth Finance Commission;

(b) if so, the details in this regard; and

(c) the reactions of the Union Government/Reserve Bank of India in regard thereto ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) and (b) In the 47th meeting of the National Development Council Maharashtra, Madhya Pradesh, Orissa and Rajasthan have conveyed that the Tenth Finance Commission's award reduced the share of their State in the total transfer recommended. Karnataka and Tamil Nadu wanted Tenth Finance Commission's Alternative Scheme of Devolution to be implemented. Kerala wanted a share of Corporation Tax revenue. Similarly Himachal Pradesh also wanted corporation tax to be merged into the shareable pool of taxes. Tripura wanted additional central assistance to be provided for assisting rural and urban local bodies.

(c) The total devolution of States as per the Award of the Tenth Finance Commission for the period 1995-2000 has already been accepted by the Government and is being implemented. There is no proposal under consideration of the Government to give additional non-plan grants to the States in addition to what has already been recommended by the Tenth Finance Commission or to vary the *inter-se* shares among States.

NRI Investment

90. SHRI BANWARI LAL PUROHIT :
SHRI PRADIP BHATTACHARY :

Will the Minister of FINANCE be pleased to state :

(a) whether the attention of the Government has been drawn to the newsitem captioned "NRI investment – a new hawala channel" appearing in the *Hindustan Times*, dated January 31, 1997;

(b) if so, the facts and details thereof;

(c) whether the Government propose to screen investments made by NRIs in Indian companies; and

(d) if so, the details thereof ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) Yes, Sir.

(b) During January, 1997, the Enforcement Directorate (ED) searched premises connected with M/s Kay Quinone Organics India Ltd., at Bombay & Hyderabad. Incriminating documents were seized as a result of the searches. Investigations, so far have revealed that during the year 1995, the said company arranged inward remittance of US \$ 3.25 lakhs from Dubai in the guise of equity participation from its foreign principals after making payments to the tune of Rs. 1.25 crores through Hawala channels.

(c) and (d) Proposals for investment by NRIs are scrutinised and cleared by Reserve Bank of India (RBI) under automatic approval mechanism or by the Foreign Investment Promotion Board, depending on the areas/sectors in which investments are proposed to be made. The actual inflows are permitted after approval by RBI under the Foreign Exchange Regulation Act.

Deficit Financing

91. SHRI YELLAIAH NANDI : Will the Minister of FINANCE be pleased to state :

(a) whether the Finance Minister in his budget had stated that Government will curtail the deficit financing;

(b) if so, whether the proposed estimate of reducing the deficit financing has not been achieved during the whole year;

(c) if so, the main reasons for failure in tackling the deficit financing;