

[Translation]

Black Money

4450. SHRI VINAY KATIYAR :
PROF. OMPAL SINGH NIDAR :

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are aware of the black money deposited in Swiss banks;

(b) if so, the amount thereof and the names of individuals and organisations in whose name this amount is deposited;

(c) whether the Government are taking any action to bring back this black money to India; and

(d) if so, the details thereof and if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) No authentic estimate is available.

(c) and (d) A Voluntary Disclosure Scheme has been announced by the Government in the Finance Bill for 1997-98, under which black money stashed abroad can also be declared.

Restriction on foreign direct investment

4451. SHRI KASHIRAM RANA :
SHRI MAHESH KUMAR M. KANODIA :

Will the Minister of FINANCE be pleased to state :

(a) the restrictions imposed on taking capital and profit on the foreign capital investment by foreign investor to their countries;

(b) whether foreign investors are allowed to take back their capital whenever they desire or they will have to wait for a block period for the said purpose; and

(c) the investment alongwith foreign investment made by the Non-Resident Indians till date ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) Foreign investors are allowed to freely repatriate their dividends earned on their investment in Indian except in the case of 22 consumer goods industries where dividend balancing for a period 7 years is stipulated. Foreign investors are also allowed to repatriate the net sale proceeds of their disinvestment after fulfilling procedural

requirements for such disinvestments under section 19(5) of FERA.

(c) The inflow in respect of NRI investment under various schemes in shares/departures of Indian Companies from the years 1991 till 1996 was as under :

(Rs. in lakhs)	
Year	Inflow
1991	16229.63
1992	15299.72
1993	57941.45
1994	114525.95
1995	198783.84
1996	206206.30

[English]

RBI norms for NRE Accounts

4452. SHRI SRIBALLAV PANIGRAHI : Will the Minister of FINANCE be pleased to state :

(a) whether Reserve Bank of India has liberalised the norms governing transfer of funds from one NRE (Non-resident external) account to another and permitted banks to clear foreign exchange remittances on current account transactions; and

(b) if so, the details thereof alongwith the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Reserve Bank of India (RBI) has liberalised the norms governing transfer of funds from one NRE (Non-Resident External) account to another. As regards permission to banks to clear foreign exchange remittances on current account transactions, all bona fide current account transactions qualify for release of exchange either under the authority delegated to authorised dealers or after obtaining the necessary approval from Reserve Bank except those transactions for which remittances are expressly prohibited. The permission for transfer of funds from one NRE account to another is independent of the power delegated to authorised dealers to allow remittances on current account transactions.

(b) As regards transfers between two NRE accounts, authorised dealers are allowed to effect transfer of funds

between NRE accounts of different persons held with the same authorised dealer or different authorised dealers for any purpose. Where the transfer of funds is by way of gift, the same may be allowed after obtaining an undertaking from the transferee/transferee's bank that gift tax, if any, payable on the transfer of funds will be paid to the income-tax authorities in India. In case of transfer of funds between NRE accounts held with different authorised dealers, the authorised dealers transferring the funds should issue a certificate confirming the non-resident status of the transferor. The decision to allow free transfer of funds between NRE accounts is based on the recommendations of the Working Group set up by the RBI with representations from RBI and Government for examining the schemes and incentives available to NRIs for investment in India.

[Translation]

Plan Revenue Deficit Grants

4453.DR. SATYANARAYAN JATIA : Will the Minister of FINANCE be pleased to state :

(a) the policy of the Govt. for allocation of plan revenue deficit grants to the States;

(b) the details of allocation plan revenue deficit grants given during 1990-91 to 1995-96 year-wise and State-wise; and

(c) the measures taken to increase the plan resources and to provide financial assistance ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) Ninth Finance Commission had recommended plan revenue deficit grants to States whereas Tenth Finance Commission have not recommended these grants. Government of India have accepted the recommendations of the Finance Commission in this regard.

(b) A statement is enclosed. For 1995-96, which is the period covered under TFC, no deficit grant have been released to the States as TFC have not recommended plan revenue deficit grant.

(c) The resources for funding the State plan are finalised by the Planning Commission in consultation with States. The assistance for funding the State plans is allocated to States according to the formula approved by NDC.

Statement

Plan Revenue Deficit Grants to States given during 1995

(Rupees in crores)

S.No.	State	1990-91	1991-92	1992-93	1993-94	1994-95	Total
1	2	3	4	5	6	7	8
1.	Andhra Pradesh	46.07	54.60	66.54	78.49	95.55	341.25
2.	Assam	42.38	50.23	61.21	72.20	87.89	313.91
3.	Bihar	185.53	219.88	267.98	316.08	384.80	1374.27
4.	Jammu & Kashmir	1.80	2.13	2.59	3.06	3.72	13.30
5.	Kerala	55.69	66.01	80.45	94.88	115.51	412.54
6.	Madhya Pradesh	141.45	167.65	204.32	241.00	293.39	1047.81
7.	Orissa	20.01	58.28	108.74	160.75	206.72	554.50
8.	Punjab	7.28	8.63	10.51	12.40	15.09	53.91
9.	Rajasthan	79.90	128.37	191.22	254.18	306.73	960.40
10.	Tamil Nadu	5.91	7.01	8.54	10.07	12.26	43.79