

(c). NABARD have reported that they have not worked out allocations for various States for the VIII Plan period.

[English]

#### NRI Investment

\*31. SHRIMATI GEETA MUKHERJEE:  
SHRIMATI VASUNDHARA RAJE:

Will the Minister of FINANCE be pleased to state:

(a) the details of the non-resident Indian firms which have come forward to invest in the country responding to the call of the Government and using all the concessions offered to them;

(b) the details of the projects alongwith the names of the States in which these are proposed to be set up;

(c) the number of proposals, out of them, for reviving sick units and for export-oriented units; and

(d) the total amount of expenditure committed by them for each of such projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) and (b). Government announced the new NRI investment policy on 28th October, 1991. The main features of this policy are as follows:

- (i) Reserve Bank of India will give automatic approval to NRIs and Overseas Corporate Bodies (OCBs) for investment upto 100% equity in 34 high priority industries, eligible for foreign investment with full benefits of repatriation.

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- (ii) NRIs and OCBs can also invest upto 100% equity with full repatriation benefits in industries requiring compulsory licensing and the industries reserved for small scale sector as well as in other industries excepting those reserved for the public sector.

- (iii) The new policy with regard to the foreign technology agreements and licensing will apply in case of NRIs investment also.

The policy has only recently been announced and proposals are yet to be received.

(c) and (d). Reserve Bank of India has granted final approval under the scheme for investment by NRIs /OCBs for the revival of sick units, in respect of 12 sick industrial units aggregating to Rs. 951.97 lakhs. Besides, in-principle approval has been accorded in case of four sick units amounting to Rs. 474 lakhs.

#### Rise in Prices

\*32. DR. S.P. YADAV:  
SHRI MOHAN SINGH:

Will the Minister of FINANCE be pleased to state:

(a) the post-budget rise in the whole-sale prices of food and non-food items including the overall rise in the inflation rate till date;

(b) the main factors for rise in prices of essential commodities;

(c) the measures taken or proposed to be taken by the Government to contain the price rise and to check inflation; and

(d) the results achieved therefrom?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The Wholesale Price Index (WPI) of the sub-group 'food and 'non-food' articles registered 4.6 per cent and 3.0 per cent increase respectively during the post-budget period this year i.e. between 20th July and 2nd November, 1991 (latest available) and the overall WPI increased by 3.5 per cent during this period.

(b) The main factors for rise in prices of essential commodities are: (i) the large and persistent fiscal deficits in the past which have, inevitably been associated with a monetisation of the budget deficits, and a large accumulated liquidity overhang, (ii) unavoidable increase in administered prices of petroleum products, fertilizers and sugar as part of fiscal adjustment, (iii) serious constraints on supply management through imports as a result of precarious balance of payments situation, and (iv) inflationary expectations built into the economy over the past year and (v) uneven progress of the monsoon until late August, 1991.

(c) The Government have taken a number of measures for macro-economic stabilisation and structural reforms which would have a strong deflationary impact on the price level after a short time lag. These measures include: (i) Planned reduction of fiscal deficit by 2 percentage points of Gross Domestic Product (GDP), from about 8.4 per cent of GDP in 1990-91 to 6.5 per cent in 1991-92; (ii) check on expansion of money supply to curb effective demand; and (iii) more effective management of supply and demand of essential/sensitive commodities, streamlining of the Public Distribution System, providing incentives for higher production and savings and strict action against hoarders and profiteers.

(d) As a result of these measures the

annual rate of inflation, on a point-to-point basis, which reached the peak of 16.69 per cent on 24 August, 1991 has shown some declining trend thereafter and stood at 13.42 per cent as on 2nd November, 1991.

### Burning of Bank Branches in Punjab, J & K and Haryana

\*33. SHRI RAJNATH SONKAR SHASTRI:  
SHRI SIMON MARANDI:

Will the Minister of FINANCE be pleased to state:

(a) whether a large number of branches of the nationalised banks in Punjab, Jammu and Kashmir and Haryana were recently set on fire by the extremists;

(b) if so, the details thereof and the total estimated loss in each of the bank branches destroyed by fire; and

(c) the steps taken by the Union Government to meet such eventualities in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) According to the reports received from public sector banks, 31 bank branches were set on fire by the extremists on the night of 20th/21st October, 1991 in Punjab. Extremists set on fire one branch on 26th October, 1991, two branches on the night of 10th/11th November, 1991 and one branch on the night of 12th/13th November, 1991 in Punjab. No such incidents have been reported in Jammu & Kashmir and Haryana during this period.

(b) The District-wise details of the estimated loss reported is given in the attached Statement.