

consortium, the member banks should convey their commitments within one month.

- iii) After the consortium meeting the lead bank should forward the application to Reserve Bank of India for its prior authorisation, wherever necessary, on the basis of in-principle commitment conveyed by other members.
- iv) The land bank should obtain the sanction of its Board of Directors within one month of consortium meeting. The other member banks should obtain the sanction of their respective Board of Directors within a period not exceeding two months from the date of the meeting.

The above recommendations had been accepted by the Reserve Bank of India.

Rate of Inflation

*315. SHRI M. RAGHUMA REDDY :
SHRI PRAKASH CHANDRA :

Will the Minister of FINANCE be pleased to state:

(a) whether there has been sharp rise in the rate of inflation during the current financial year in comparison to the last three preceding years;

(b) if so, the reasons therefor;

(c) whether any steps are being taken to control inflation; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE
DEPARTMENT OF ECONOMIC AFFAIRS

IN THE MINISTRY OF FINANCE (SHRI
EDUARDO FALEIRO) : (a) No, Sir.

(b) Does not arise.

(c) and (d). Government has been keeping a close watch on the price situation and has taken measures to keep them under reasonable check. These include strengthening of Public Distribution System, import of essential commodities as needed, strict economy in Government expenditure, mopping up excess liquidity in the economy and measures to encourage higher production.

Projects to be set up under Indo-EEC Trade Promotion Programme

*316. SHRI G.S. BASAVARAJU : Will the Minister of COMMERCE be pleased to state:

(a) whether some projects have been identified under the Indo-EEC (the European Economic Community) trade promotion programme to be funded by the EEC and carried out by the Engineering Exports Promotion Council.

(b) if so, the details thereof and to what extent EEC has agreed to provide financial assistance; and

(c) the time by which the projects are likely to be set up?

THE MINISTER OF STATE IN THE
MINISTRY OF COMMERCE (SHRI P.R.
DASMUNSI): (a) and (b). Under Indo-EEC Trade Promotion Programme, four projects in the engineering sectors are under implementation. The Engineering Export Promotion Council is the Nodal Agency for these projects. These are:

i) Project on Hand Tools

ii) Project for Builder's Hardware