

garments. However their hikes do not appear to have any adverse effect on the export performance of the garment sector.

Remittances and Investments from Abroad

3067. **DR. SUDHIR RAY:**
SHRI LAETAUMBREY:
SHRI MANORANJAN BHAKTA:
SHRI CHETAN P.S. CHAUHAN:
SHRI RAM SINGH KASHWAN:
SHRI VILAS MUTHIEMWAR:

Will the Minister of FINANCE be pleased to state:

(a) the amount of deposits by the Non-resident Indians as on September 30, 1992;

(b) the total amount of remittances made by the Non-resident Indians and the Indian citizens residing abroad in each of the last three years;

(c) the total amount of investments made

by the Non-resident Indians in the various industrial sectors since the liberalisation of the economic policy in comparison to the previous three years;

(d) the total amount of investments made by the foreign industrialists since the liberalisation of the economic policy;

(e) whether the investments by the Non-resident Indians and the foreign industrialists are as per the expectations;

(f) if so, the details thereof; and

(g) the steps taken/proposed to increase the inflow of remittances by the Non-resident Indians and the Indian citizens residing abroad and also to increase the investments by the Non-resident Indians and the foreign industrialists?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The amount of deposits in banks by NRIs as on 31.10.1992 is as follows:

(Rs. in crores)

(i)	Non-resident (External)	86,43.00
(ii)	Foreign currency	12604.00
	Non-resident	
	U.S Dollars	8287.00
	Sterling Pounds	2371.00
	Deutsche Marks	326.00
	Yen	1620.00

(b) The remittances made by Indian workers abroad are included in India's balance of payments under private transfer

receipts (current account). The gross private transfers received during last three years are given below:

Private transfer receipts (Gross)

			<i>(US \$ Million)</i>
	1989-90	1990-91	1991-92
	(Actuals)	(Prov. Estimate)	(Quick Estimate)
Private transfer receipt	2297	2021	2685 (853)

Note: Figures in brackets indicates inflows under Foreign Exchange (Immunity) Scheme which are included under private transfers.

to non-resident deposit accounts.

(c) The details of approval, in principle, granted by RBI for NRI investment before and after liberalisation of economic policy is as under:-

The above figures do not include credits

Before Liberalisation of economic policy (Rs. in crores)

<i>Period</i>	<i>No. of proposals</i>	<i>Amount</i>
1.1.89 to 31.12.89	231	199.26
1.1.90 to 31.12.90	214	203.26
1.1.91 to 31.12.91	233	207.08
After implementation of liberalisation of economic policy relating to NRI investment		
1.1.92 to 30.9.92	323	983.56

(d) Total foreign investment envisaged in foreign collaboration approvals from August 1991 to October 1992 is Rs. 3679.63 crores.

(e) and (f). Investments by NRIs as well as foreign industrialists after liberalisation are favourable in comparison with the period prior to liberalisation as given in the following table:-

(Rs. in crores)

<i>Year</i>	<i>Foreign investment including NRI investment approved</i>
1990	128.32
1991	534.11
1992 (upto 31.10.92)	3266.30

(g) A statement is enclosed.

STATEMENT

Measures taken under the New Policy to attract foreign investment

- (a) Majority foreign ownership, even up to 100% in certain sectors, allowed.
- (b) Foreign equity proposals need not necessarily be accompanied by foreign technology agreement.
- (c) Automatic approval is given by the Reserve Bank of India for direct foreign investment upto 51% foreign equity in 34 high priority industries if foreign equity covers the capital requirements of imported capital goods which must comprise plant and machinery which are new and not second hand.
- (d) Automatic approval by Reserve Bank of India for majority foreign equity holding upto 51% in trading companies primarily engaged in export activities subject to the condition of dividend balancing for a period of 7 years.
- (e) Proposals outside the criteria in (c) & (d) to be considered by the SIA/FIPB/PAB.
- (f) Automatic approval for raising foreign equity upto 51% in the existing companies also allowed by the RBI provided
- the proposed activities were in the high priority area.
- (g) For foreign technology agreements in high priority industries, automatic approval allowed subject to the condition that the lumpsum payment did not exceed Rs. 1 crore and royalty did not exceed 5% on domestic sales and 8% on exports.
- (h) Payments of dividends only in the case of consumer goods industries would be monitored by the RBI to ensure that outflow on account of dividend payments are balanced by export earnings. The general condition of dividend balancing has been withdrawn for items other than consumer goods.
- (i) All payments flowing from the approval of foreign technology agreements to be met through foreign exchange purchased at the market rate.
- (j) Phased Manufacturing Programme no longer applicable.
- (k) Disinvestment of equity by foreign investors to take place at the market rates on the stock exchanges.
- (l) India has signed the Multilateral Investment Guarantee Agency Protocol on 13.4.1992.

- (m) General permission is now granted to companies with more than 40% non-resident interests to accept appointment as an agent or technical or management adviser of any personal company in India in any activity of trading/commercial or industrial nature.
- (n) Companies with more than 40% foreign interest may now borrow money and accept deposits in India for which the Reserve Bank of India will accord general permission.
- (o) Companies with more than 40% foreign equity granted general permission to deal in immovable property in India.
- (p) Foreign companies have also been permitted by RBI to open liaison offices and branches in India on receipt of application from them.
- (q) Foreign companies are now free to use their trade marks for domestic sales.

Facilities to NRIs

Government has taken a number of steps since July, 1991 to make NRI investment in India still more attractive. The new initiatives are summarised below:-

- (a) NRIs and their OCBs are now allowed to invest upto 100% on repatriation basis in high priority industries. A procedure of automatic clearance of such proposals has also been made.
- (b) The ceiling of 5% on overall NRI portfolio investment in an Indian company has been raised to 24% provided the company passes a resolution to this effect.
- (c) NRI investment upto 100% is now al-

lowed on non-repatriation basis in the previously forbidden areas of real estate, housing and infrastructure.

- (d) Foreign citizens of Indian origin have been permitted to acquire house property without the permission of RBI by granting them exemption under Section 31 of FERA.
- (e) It has been decided to establish the office of Chief Commissioner for NRIs in order to provide a focal point for interface with the NRIs.
- (f) Hitherto, NRIs were required to declare the foreign exchange assets on return to India. This requirement has been dispensed with in case of persons who have stayed abroad at least for a minimum period of 1 year.
- (g) NRIs returning for good will be allowed to maintain foreign currency resident accounts with Indian banks in lieu of existing RIFEE scheme.
- (h) NRIs have been allowed to import gold upto 5 Kg on payment of duty of Rs. 4220 per 10 gms.
- (i) Non-Resident (Non-Repatriable) Rupee Deposit Scheme under which the term deposits can be made by NRIs on attractive interest rates to be determined by the banks themselves. Both Principal and interest are non-repatriable.
- (j) Foreign Nationals of Indian Origin have been allowed to :-
- (i) to act or accept appointment as Agents in India of any person or company in the trading of commercial transactions.
- (ii) to act or accept appointment as techni-

cal or management adviser in India of any person or company.

- (iii) to permit any trademark, which he or it is entitled to use, to be used by any person or company for any direct or indirect consideration.
- (iv) carry on in India or establish in India a branch office or other place of business for carrying on any activity of a trading, commercial or industrial nature.
- (v) acquire the whole or any part of any undertaking in India of any person or company carrying on any trade, commerce or industry or purchase of shares in India of any such company.

Demand and Supply of Yarn and Raw Materials to Weavers in States

3068. SHRI SOBHANADREESWARA RAO VADDE:
SHRI SATYAGOPAL MISRA:
SHRI CHHITUBHAI GAMIT:
SHRI MAHENDRA KUMAR SINGH THAKUR:
SHRI GANGADHARA SANIPALLI:
SHRI MAHESH KANODIA:

Will the Minister of TEXTILES be pleased to state:

(a) whether there is steep rise in the prices of yarn and if so, the reasons therefor;

(b) the quantity of yarn required by handloom/powerloom sectors for working at least 275 days in a year and supplies to these sectors by the State/Central agencies during each of the last three years, sector-wise and State-wise;

(c) the amount of financial assistance provided to the yarn producing units during the said period, year-wise and unit-wise;

(d) the extent to which demand of these sectors relating to dyes, chemicals and other items of raw materials besides yarn were met by these agencies in proportions to their requirements during the said period, year-wise, sector-wise and State-wise;

(e) the financial assistance/subsidy provided to the Appex Coopertive Societies under the Market Development Scheme during the said period, year-wise, and State-wise; and

(f) the steps taken by the Government in this regard and to control the rising price of yarn?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI ASHOK GEHLOT): (a) The price of cotton yarn has registered some increase because of spurt in the cotton prices during the last cotton season ('91-92) and also due to general increase in the prices of various other inputs.

(b) The decentralised nature of production in handloom and powerloom sectors, the variations in requirement of cloth, supply of power and other changing parameters effect the requirement of yarn. The requirement of handloom and powerloom sector, keeping in mind these variations, has been estimated around 400 million kgs. and 1,048 million Kgs. per year respectively. The supply of yarn to these two decentralised sectors is not done only by State/Central agencies, but is largely in the hands of private traders and as such, the state-wise estimates cannot be realistically projects.

(c) Financing of yarn producing units is