(a) whether it is a fact that the Reserve Bank of India (RBI) has sold almost all its holdings in the National Bank for Agriculture and Rural Development (NABARD);

(b) if so, the details thereof;

(c) whether it is also a fact that the RBI is also considering to sell its shares of National Housing Bank; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) to (d) The Government of India in consultation with the Reserve Bank of India (RBI) has decided to take-over 72.5% of the overall shareholding in the National Bank for Agriculture and Rural Development (NABARD) and 100% shareholding in National Housing Bank (NHB), held by RBI. RBI transferred 71.5% of its stake amounting to Rs. 1,430 crore in NABARD to Government of India on 13.10.2010. With this, the RBI's shareholding in NABARD has come down to one per cent and the Government of India holds 99 per cent of the stake. The process of transferring of RBI shareholding in NHB, which requires amendments in the relevant provisions of NHB Act, 1981, is on.

Policy for containing inflation and economic growth

2970. SHRI BIRENDRA PRASAD BAISHYA: Will the Minister of FINANCE be pleased to state:

(a) whether is it a fact that food inflation is on the rise and the common man is suffering;

(b) if so, the details thereof, 2009-10 till October, 2010; and

(c) what policy Government has introduced to reduce inflation and increase growth of economy which reflects upgrade in quality as well as security of life of the people of the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) The WPI food inflation (weight 24.31%) comprising by primary food articles and manufactured food products has declined to 9.97 per cent in October, 2010 from its peak of 20.22 per cent in February, 2010. The details of food inflation from April, 2009 to October, 2010 are indicated in Table below:—

Year-on-year Food inflation from 2009-10 *to* 2010-11

Month	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2009-10	8.76	9.37	10.42	11.10	12.97	13.21	12.66	17.17	20.21	19.80	20.22	18.50
2010-11	16.09	15.85	15.30	14.31	11.06	10.82P	9.97P					

P: Provisional

(c) To keep the balance between growth and food inflation, Government monitors the price situation regularly as price stability remains high on its agenda. Measures taken to contain prices of essential commodities include selective ban on exports and futures trading in food grains, zero import duty on select food items, permitting import of pulses and sugar by public sector undertakings, distribution of imported pulses and edible oils through PDS and release of higher quota of non-levy sugar. RBI has taken suitable measures to moderate demand levels consistent with capacity of the economy to maintain its growth without provoking price rise. Accordingly, the Repo rate and Reverse Repo rate were increased to 6 per cent and 5 per cent respectively on September 16, 2010 from a level of 5.75 per cent and 4.50 per cent respectively. Further during their Second Quarter Policy Review on November 2, 2010 RBI raised the Repo rate and Reverse Repo rate to 6.25 per cent and 5.25 per cent respectively.

Misuse of FDI in speculation activities

2971. SHRI M.P. ACHUTHAN:
SHRI D. RAJA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is no mechanism at present to monitor the actual use of Foreign Direct Investments (FDIs);

(b) if so, the details thereof;

(c) whether it is also a fact that a sizeable portion of FDIs are being used in speculation and jacked up stock market prices;

(d) if so, the details thereof;

(e) whether Government has taken any decision to curb use of FDI in speculation; and

(f) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) and (b) There exists a two-stage reporting mechanism to capture the sectors in which FDI is received. In the first stage, the investee company has to submit the details of the receipt of the amount of consideration towards share application in the Advance Report Form alongwith a copy of the FIRC and the KYC on the non-resident investor, to the Reserve Bank, within a period of 30 days from the date of receipt of the amount of consideration towards share application. In the second stage, the details of the allotment of shares to the non-resident investor is captured through Form FC-GPR, which is required to be submitted to the Reserve Bank, within a period of 30 days from the date of allotment of shares. Other than this, there is no mechanism in place to monitor the actual use of FDI in India.

(c) to (f) No such information is available.