

The Government of India has put in place a liberal and transparent policy for FDI, including investments from Non-resident Indians (NRIs). The FDI policy is applicable uniformly for the entire country.

Under the liberalized economic environment, investment decisions of foreign investors are based on the macro-economic policy framework, investment climate in the State, investment policies of transnational corporations and other commercial considerations.

With a view to promoting balanced industrial development in the country, the Central Government has launched a number of schemes. Besides these schemes, Government is also implementing a number of schemes for generating employment and development of backward areas such as National Rural Employment Guarantee Scheme, Bharat Nirman, Backward Regions Grant Fund etc.

Early exit of Chinese businessmen from Trade Fair

†2929. SHRI SHREEGOPAL VYAS: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Chinese businessmen packed off early from Trade Fair and they do like this only;
- (b) whether it is a fact that they carry the Indian goods, imitate them and sell them here itself;
- (c) whether this country has been given the status of 'Focus country'; and
- (d) whether Government in view of above is planning to prevent negative fallout of it; if so, the details thereof?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA): (a) Ninety companies from China participated in the India International Trade Fair, 2009 held from 14 – 27 November 2009 at Pragati Maidan, New Delhi. While eighty five of these participants left the fair on 19.11.2009, the remaining five participants remained till the end of the Fair.

- (b) No such incident has come to the notice of the Government/ITPO.
- (c) For India International Trade Fair, 2009, China was given the 'Focus Country' status.
- (d) The Chinese participating teams have been requested by ITPO that they should stay for the full duration of the fair in their next participation.

Review of FDI guidelines

2930. SHRIMATI SHOBHANA BHARTIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government is considering sweeping review of its Foreign Direct Investment

†Original notice of the question was received in Hindi.

(FDI) guidelines following increasing risk of terror funds being parked in the country and other investments being fraught with security implications;

(b) if so, the details thereof;

(c) whether Government is aware of foreign participation in sensitive sectors is posing economic threat; and

(d) if so, the time by when complete review of FDI guidelines is to be made and implemented?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA): (a) to (d) The policy on Foreign Direct Investment (FDI) is incorporated in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified under the Foreign Exchange Management Act (FEMA), 1999. FEMA indicates the countries from where investment is not permitted. As per Section 5(1) of the FEMA Regulations, 2000 a person resident outside India or an entity incorporated outside India, other than a citizen or an entity in Pakistan may purchase shares or convertible debentures of an Indian company under FDI scheme. FDI coming from Bangladesh is required to follow the approval route. Section 13 of the Act provides for imposition of penalty, after adjudication, for contravention of the provisions of the Act or Rules/Regulations. Further, any company established in the country has to follow the relevant rules and regulations and is subject to the provisions of relevant Acts, including the Prevention of Money Laundering Act.

Government has put in place a simple and investor friendly policy on Foreign Direct Investment (FDI). The policy on FDI is reviewed on a continuing basis through an inter-ministerial consultation process, with a view to rationalizing/simplification of the policy and taking into account stakeholders concerns. All concerns of National security are being constantly addressed to by the Government suitably.

Donation by STC and MMTC to student wings of political parties

2931. SHRIMATI KUSUM RAI: Will the Minister of COMMERCE AND INDUSTRY be pleased to refer to answer to Starred Question 97 given in the Rajya Sabha on 25 November, 2009 and state:

(a) whether student wings of any other political parties except NSUI has been donated by PSUs like STC and MMTC;

(b) if so, the details thereof; and

(c) if not, why only NSUI, the student wing of ruling party Indian National Congress was given donations?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA): (a) to (c) MMTC has contributed to certain student related bodies such as Faculty of Management Studies Alumni Association, Amity International Business School, Department of Management Studies —