

Bureau of Investigation (CBI), Enforcement Directorate (ED), etc., in coordination with each other. Based on the report of SFIO, prosecutions have been filed for violation of provisions of the Companies Act, 1956. Further investigation regarding diversion of funds outside the country, if any, is being carried on by the CBI and ED for which they have the requisite powers.

#### **Stake of foreign companies in joint ventures**

3241. DR. T. SUBBARAMI REDDY: Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether foreign companies could soon be allowed to incrementally raise their stakes in Indian Joint Ventures through stock market deals;

(b) whether the policy relaxation would mean that an overseas company does not necessarily have to approach the Foreign Investment Promotion Board or use the FII route to increase its stake in an Indian company as long as the deal can not potentially lead to its taking control of the company or breach the relevant sectoral FDI cap; and

(c) if so, to what extent this relaxation has helped the foreign companies in the country?

THE MINISTER OF STATE OF THE MINISTRY OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHED): (a) to (c) As per information received from SEBI, Investment by Foreign Institutional Investors (FIIs) is regulated under SEBI (FII) Regulations, 1995 and regulation 5 (2) of Foreign Exchange Management Act, notification No. 20 dated 3.5.2000. SEBI acts as the nodal point in the registration of FIIs. The Reserve Bank of India has granted general permission to SEBI regulated FIIs to invest in India under Portfolio Investment Scheme. Investment by individual FIIs/Sub accounts cannot exceed 10% of paid up capital. Investment by Foreign corporate cannot exceed 5% of paid up capital. All FIIs and their sub accounts taken together cannot acquire more than 24% of the paid up capital of the Indian Company. An Indian company can raise the 24% ceiling to the Sectoral cap as applicable subject to approval of Board of Directors and shareholders.

#### **Health projects in Arunachal Pradesh**

3242. SHRI RAJKUMAR DHOOT: Will the Minister of DEVELOPMENT OF NORTH EASTERN REGION be pleased to state:

(a) whether it is a fact that the Ministry had sanctioned five health projects for Arunachal Pradesh at a cost of Rs. 36.25 crores;

(b) if so, the details thereof;

(c) whether all the projects have been completed; and

(d) if not, the reasons therefor?

THE MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B.K. HANDIQUE): (a) Yes, Sir. Ministry of Development of North Eastern Region had sanctioned 5 health projects for Arunachal Pradesh at a total cost of Rs. 3625.04 lakh.