

**Statement***Details of funds and Central Grant released to Andhra Pradesh***Growth Centre Scheme**

		(Rs. in lakh)		
Sl. No.	Location	2003-04	2004-05	2005-06
1.	Hindupur	—	50.00	—
2.	Jedchrela	—	195.00	400.00
3.	Vizianagaram		50.00	—
4.	Ongole	100.00	—	—

**Industrial Infrastructure Upgradation Scheme**

		(Rs. in Lakh)		
Sl. No.	Location	2003-04	2004-05	2005-06
1.	Pharma Cluster Hyderabad	----	780.00	1654.00
2.	Auto Cluster, Vijayawada			

**Modification of FDI norms in Agriculture and Plantation**

882. SHRI SYED AZEEZ PASHA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government have modified certain norms of FDI Policy, according to the recommendations of the Group of Ministers, headed by the Minister of Agriculture, allowing 100 per cent FDI in agriculture and plantation sector;

(b) if so, the details of the changes made;

(c) whether the left parties have opposed the decision to allow 100 percent FDI in agriculture and plantation sector, as it will ruin millions of farmers and planters who are already facing hardships; and

(d) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL POLICY AND PROMOTION, MINISTRY OF COMMERCE AND INDUSTRY (SHRI ASHWANI KUMAR): (a) and (b) Yes, Sir. The Group of Ministers

(GoM) on FDI, while considering the proposal for review of FDI policy in January 2006, recommended, *inter-alia* the proposal to remove Agriculture and Plantation, with exclusions, from the list of prohibited activities, and recommended listing out the permitted activities in these sectors under the sectoral policy. No recommendation was made by the Group of Ministers to open up for hundred percent FDI through automatic route the Agriculture & Plantation sector. However, the Group of Ministers recommended amendment to the permitted activities as incorporated in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, amended on 18.6.2003, by inclusion of 'Aqua-culture' and deletion of 'etc', appearing after the word 'mushroom'.

(c) and (d) Yes Sir, it has been clarified to the Communist Party of India (Marxist) that hundred percent FDI has not been allowed in the Agriculture & Plantation sector, beyond the changes indicated in paragraph (a) & (b) above. It is further clarified that the extant/present policy with regard to FDI in Agriculture and Plantation is as follows:

- (i) FDI up to 100% is permitted under the automatic route in the under-mentioned activities viz. Floriculture, Horticulture, Development of Seeds, Animal Husbandry, Pisciculture, Aqua-culture and Cultivation of Vegetables & Mushrooms, under controlled conditions and services related to agro and allied sectors.
- (ii) FDI up to 100% with prior Government approval is permitted in Tea plantation subject to the conditions of divestment of 26% equity of the company in favour of an Indian partner/Indian public within a period of five years; and prior approval of the State Government concerned in case of any future land use change.
- (iii) Besides the above two, FDI is not allowed in any other agricultural sector/activity.

#### **Crop diversification in Tea Gardens**

883. SHRI PRASANTA CHATTERJEE; Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are considering crop diversification in tea gardens of North Bengal in view of the deteriorating conditions of tea industry; and

(b) if so, the details in this regard?

THE MINISTRY OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH):