

FDI limit in SSI

*439. SHRIMATI SHOBHANA BHARTIA: Will the Minister of SMALL SCALE INDUSTRIES be pleased to state:

(a) whether Government propose an increase in FDI limit in SSI, including labour-intensive sectors such as auto components and textiles from 49 per cent at present to 74 per cent;

(b) if so, whether FDI flood-gate would be proposed in case of items that would continue to be reserved for the SSIs;

(c) if so, whether any final decision in this regard has been taken; and

(d) if so, the details thereof and by what time a final decision is likely to be taken?

THE MINISTER OF SMALL SCALE INDUSTRIES (SHRI MAHAVIR PRASAD): (a) and (b) According to the existing policy, an entity, domestic or foreign, without any subsisting industrial interest can invest upto 100% in the equity of a small scale industry (SSI) engaged in the manufacture of products such as auto components and textiles (where 100% FDI is allowed in the non-SSI sector). However, to prevent mushrooming of small-scale industries owned or controlled by larger entities, the policy also prescribes a ceiling of 24% in equity participation by an entity, whether domestic or foreign, in case it already has an industrial interest. If the equity investment by such an entity exceeds 24% of that of second SSI unit, the resultant entity ceases to be an SSI unit. This policy also applies to the SSI units manufacturing reserved items.

(c) and (d) Keeping in view the provisions of the Micro, Small and Medium Enterprises Development Act, 2006, it is not possible at this stage to indicate a time frame for decision on the issue of permitting entities with interest in other enterprises to make foreign or domestic investment in the equity of micro and small enterprises, beyond the existing ceiling of 24%.

India-Israel bilateral agreement relating to agricultural research

*440. SHRI S.S. AHLUWALIA: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that several India-Israel bilateral agreements