

KVI items, (ii) providing support through KVIC, which is having the status of deemed Export Promotion Council (EPC) and (iii) participation in international trade fairs. As the XII Plan (from 2012-13 to 2016-17) is yet to be finalized, it is premature to fix a target.

(c) and (d) This Ministry had requested the Ministry of Rural Development to consider including khadi and coir spinning activities in the list of permissible activities under Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Ministry of Rural Development have intimated that inclusion of khadi under MGNREGA was not found feasible as the focus of the Act is on unskilled manual work.

Development of SMEs

2857. DR. E.M. SUDARSANA NATCHIAPPAN: Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether Government is encouraging, guiding, financing SMEs to buy foreign firms in USA and Europe; and

(b) if so, what are the best opportunities for development of SMEs by allowing FDI?

THE MINISTER OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI VIRBHADRA SINGH): (a) Government encourages investment overseas by an Indian party in joint ventures or wholly owned subsidiary, not exceeding 400 per cent of its net worth through automatic route, except in case of making investment in a foreign entity engaged in real estate or banking business, which would require prior approval of the Reserve Bank of India.

(b) Allowing FDI brings opportunities of finance, modern technology and varied expertise for development of SMEs. In addition FDI helps in increasing net worth of an enterprise, which in turn broadens the scope for buying of foreign firms.

Profits to MSME due to FDI in retail sector

†2858. SHRI RAVI SHANKAR PRASAD:

SHRI SHIVANAND TIWARI:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether it is a fact that small and medium enterprises are expected to be benefited through the announcement to raise Foreign Direct Investment limit in retail sector;

†Original notice of the question was received in Hindi.