

(f) Government has already taken confidence building measures for improving the industrial climate and manufacturing in the country. One of the measures taken by the Government is the announcement of the National Manufacturing Policy (NMP) with the objective of enhancing the share of manufacturing in GDP to 25 percent within a decade and creating 100 million jobs. The Policy also seeks to put in place measures to improve industrial infrastructure including setting up of National Investment and Manufacturing Zones (NIMZs), simplify business regulation and incentivize clean technology; skill development; and investment in Micro, Small and Medium Enterprises (MSME).

The Delhi Mumbai Industrial Corridor (DMIC) Project is under implementation to create a strong economic base with globally competitive environment and state-of-the-art infrastructure along the Delhi-Mumbai Dedicated Freight Corridor of the Railways.

Other measures include promotion and facilitation of industrial investment including promotion of Foreign Direct Investment (FDI) through consolidation of various press notes into a single document; gradual liberalization and rationalization of FDI Policy; regular meetings with industry associations and stakeholders to fast track implementation of industrial projects etc.

Violation of FDI norms by Walmart

2038. SHRI JAI PRAKASH NARAYAN SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that Bharti Group had set up a company Cedar Services in which Walmart had invested heavily and then the company was taken over by Bharti Retail in violation of Foreign Direct Investment (FDI) regulations and Foreign Exchange Management Act (FEMA);

(b) if so, the details thereof;

(c) the names and addresses of Directors of Cedar Services and its links with Bharti Group;

(d) whether Government had ordered any enquiry into the allegations of violation of FDI and FEMA by the promoters of Bharti Group; and

(e) the time-frame by when enquiry will be conducted?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. S. JAGATHRAKSHAKAN): (a) and (b) As per available information, M/s Cedar Support Services Limited was originally incorporated on 12.02.2007 in the name M/s Bharti Retail (Holdings) Pvt. Limited. It became a public company with effect from 10.12.2009. It changed its present name with effect from 15.01.2010. It is a wholly owned subsidiary of M/s Bharti Ventures Ltd. and Bharti Retail Ltd. is a wholly owned subsidiary of M/s Cedar Support Services Ltd.

As per information from the Reserve Bank of India, in the case of M/s Cedar Support Services Limited, inward remittance of Rs. 455.80 crore on 29.03.2010 was reportedly brought in by M/s Wal-Mart Mauritius (4) Holdings Co. Limited and reported to Reserve Bank of India on 27.04.2010. The Form FC-GPR filed for issuance of the Compulsorily Convertible Debentures (on 29.03.2010) has not been taken on record by the Reserve Bank of India to ensure that the Compulsorily Convertible Debentures are FDI compliant instruments and for the purpose, certain information has been called for from the company.

(c) As per the records of the Office of Registrar of Companies, Delhi, the names and addresses of the Directors of Cedar Services as on date are as under:-

- (i) Shri Pankaj Madan, C-7, Greater Kailash Enclave-II, New Delhi
- (ii) Shri Gurdeep Kaur, 87, Vidhya Bhawan, Lajpat Nagar, Miaonwali Colony, Gurgaon-122002
- (iii) Shri Viresh Dayal, 6415, DLF City, Phase-IV, Gurgaon, Haryana-122002
- (iv) Shri Sarvjit Singh Dhillon, 102B, 4th Floor, The Aralias, DLF Golf Links, DLF Phase-5, Gurgaon, Haryana-122009
- (v) Shri Ashwin Mittal, 152, Golf Links, New Delhi-110023
- (vi) Shri Devendra Khanna, Devi Sadan, Ground Floor, L-1/5, Hauz Khas, New Delhi-110015.

M/s Cedar Support Services Ltd. is a wholly owned subsidiary of M/s Bharti Ventures Ltd.

(d) and (e) References alleging involvement of Bharti Walmart/ Cedar Support Services Limited, in retail trade, in violation of the FDI policy, were received and forwarded to the Reserve Bank of India, as violation of FDI regulations is covered

by the penal provisions of Foreign Exchange Management Act, 1999 (FEMA). The Reserve Bank of India has informed that the matter related to Bharti Wal-Mart/ Cedar Support Services Limited has been referred to the Directorate of Enforcement for further investigations. No time frame has been fixed by the Government for conducting the enquiry.

Fixing of base price for tea in Assam

2039 SHRI BHUBANESWAR KALITA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that there is a base price for selling of agricultural product like wheat etc., in States like Punjab etc., but there is no base price for selling tea in Assam fixed by the Ministry, which produces more than 51 per cent of the tea in India;

(b) whether having a base price for selling tea would help the small tea growers of Assam, and whether the Ministry would recommend fixing of base price irrespective of quality of Assam tea; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI D. PURANDESWARI): (a) to (c) Base price has not been fixed for selling tea in Assam. Tea being a perennial crop, green leaf is harvested in Assam for nearly 9 months in a year from March-December. During this period, because of the seasonal variations, quality of the green leaf would vary from month to month. Keeping this variation in view, a Price Sharing Formula (PSF) has been notified by the Tea Board as per the provisions of the Tea (Marketing) Control Order, 2003 for ensuring equitable sharing of sale price of made tea between the suppliers of green leaf and the manufacturers. This formula takes into account the cost of production of Green Tea leaf by the small growers, cost of manufacturing made tea by the bought leaf factories, and the out-turn percentage (*i.e.* the ratio of conversion of 'Green Tea leaf' into 'made tea') Thus the green leaf price payable to the growers would be depending upon the market situation and the quality of the end produce and would vary from month to month. As per the notified formula for Assam, the net sale proceeds need to be shared in the ratio of 65:35 between the growers and the factories when the price fetched by the individual factory remains either at par or lower than the state average. When the price fetched by the