regime, from time to time, to ensure that India remains increasingly attractive and investor-friendly investment destination. Changes are made in the Policy after having intensive consultation with stakeholders including concerned Ministries/ Departments, Apex Industries Chambers and other organization.

FDI up to 100% is allowed on the automatic route in most sectors/activities subject to applicable laws/ regulations; security and other conditionalities.

During 2014-15 and 2015-16, the Government announced key FDI reforms in the defence and railways sectors. The entire range of rail infrastructure was opened to 100% FDI under the automatic route, and in defence, sectoral cap was raised to 49%. To boost infrastructure creation and to bring pragmatism in the policy, the Government reviewed the FDI policy in the construction development sector also by creating easy exit norms, rationalizing area restrictions and providing due emphasis to affordable housing. To give impetus to the medical devices sector, a carve out was created in FDI policy on the pharmaceutical sector and now 100% FDI under automatic route is permitted. The Government, in order to expand insurance cover to its large population and to provide required capital to insurance companies, raised the FDI limit in the sector to 49%. Pension sector has also been opened to foreign direct investment up to the same limit. The FDI policy provisions pertaining to NRI investment have also been clarified by providing that for the purposes of FDI policy, investment by NRIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment at par with the investment made by residents.

To bring uniformity and simplicity in the FDI policy, the Government has introduced composite caps on foreign investments in the country. Composite cap is applicable across the sectors and is meant to attract foreign investment.

These measures are expected to increase FDI, which complements and supplements domestic investment. Domestic companies are benefited through FDI, by way of enhanced access to supplementary capital and state-of-art-technologies; exposure to global managerial practices and opportunities of integration into global markets resulting into accelerated domestic growth of the whole country including Karnataka.

Cancellation of approval of 22 SEZs

2564. DR. R. LAKSHMANAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government had cancelled the approval given to 22 Special Economic Zones (SEZs) recently;

(b) if so, the State-wise details thereof; and

(c) the reasons for their cancellation?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) Recently the Board of Approval (BoA) on Special Economic Zones (SEZs) in its meeting held on 19th May, 2015, has approved for cancellation/de-notification of formal approval/notified, as the case may be, in respect of 22 SEZs as the progress made by the Developers of said SEZs are not satisfactory.The approval is subject to the concerned Development Commissioner of SEZ furnishing a certificate in the prescribed format that the developer has not availed any tax/duty benefits including Service Tax Exemptions, if any, under the SEZs Act and Rules, or has refunded any such benefits availed by it and no objection certificate from concerned State Government. State-wise distribution of number of said SEZs approved for cancellation/de-notificationis as under:

States	Numbers
Andhra Pradesh	3
Haryana	7
Maharashtra	1
Tamil Nadu	7
Uttar Pradesh	4
GRAND TOTAL	22

Fall in rubber procuring prices

2565. SHRIMATI VIJILA SATHYANANTH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state whether Government is aware of the devastating decline in the rubber procuring prices due to the import of rubber and rubber products from Indonesia, Malaysia, etc. and if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): Government is aware of the recent decline in the prices of Natural Rubber (NR) caused primarily by fall in rubber prices in the international markets and the lower demand for the type of NR produced domestically. Main reasons for the decline of rubber prices in the international market are weak demand for NR due to moderating economic growth in China, increase in world stock of NR particularly in Thailand and low oil prices resulting in low prices of synthetic rubber. However, the domestic rubber prices have generally stayed above international prices.