

(c) The Government on an ongoing basis endeavours to deepen India's trade engagements with traditional markets and promote them in new emerging areas across countries and commodities.

The LAC region, alongwith other regions, has also been the focus of such efforts, as a part of which India today has a PTA with Chile and the Mercosur block. With the objective of further deepening India's relations with the LAC region, an integrated programme "Focus LAC" launched in November, 1997 has been extended upto March, 2019. Under existing institutional mechanisms, efforts are made for removing barriers impeding bilateral trade. As a result of these efforts, India's trade with the LAC region has grown from \$ 5.61 Billion in 2009-10 to \$ 11.53 Billion in 2014-15.

Reconstitution of rubber board

1156. SHRI K. K. RAGESH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state whether Government has set any time-frame for reconstituting the Rubber Board and if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): The tenure of the previous Board expired on 28th February 2014. As per Rules, the functions of the Board, until its reconstitution, are discharged by the Chairman within his delegated powers. Steps have been taken for reconstitution of the Board.

Safeguarding interest of domestic sector against e-commerce

1157. DR. E. M. SUDARSANA NATCHIAPPAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government's policy of opening up 100 per cent foreign investment in e-commerce is looking after the interest of Indian SME sector, Indian industries in production, distribution, marketing and service; and

(b) if so, what are the detailed conditions imposed in each and every aspect and revenue protection in tax income to State and Central Government?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) FDI in retail sector including e-commerce has been opened in a calibrated manner. The Government has recently clarified that 100% FDI under automatic route is permitted in market place model of e-commerce and FDI is not permitted in inventory based model of e-commerce. This move is likely to bring clarity on the FDI policy on e-commerce sector as well as increase foreign investment in this sector there by benefiting Indian

industries including Indian SMEs. Detailed Guidelines for Foreign Direct Investment (FDI) on e-commerce have been issued by the Government *vide* Press Note 3 (2016) dated 29.03.2016 a copy of which is given in the Statement. [Refer to the Statement appended to the Answer to USQ No. 1124, part (c) and (d)].

Tax related issues are governed by relevant Central and State statutes.

Irregularity in STC, Hyderabad

1158. SHRI MD. NADIMUL HAQUE: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that a large scale of default has occurred in State Trading Corporation (STC), Hyderabad, if so, the details thereof,
- (b) whether the Vigilance Division has recommended the case to CBI;
- (c) whether any action has been taken by CMD to recover the default amount;
- (d) the details of money recovered; and
- (e) the details of action taken against any officer for the above default?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) STC, Hyderabad had entered into an agreement with a business associate for import of 33,000 MTs Metcoke from a company in United Kingdom by arranging Letter of Credit (L/C). The STC released the full payment towards above L/C on its maturity. However, the business associate did not lift the entire quantity and later in unauthorized manner lifted/removed 8500 MTs stocks valued at ₹ 13.60 cr. stored under the custody/control of STC's appointed Collateral Management Agency (CMA).

(b) Vigilance Division of STC has recommended that the matter be referred to CBI. However, as on the basis of FIR lodged by STC, the local Police after investigation has already filed the charge sheet in the Court and the matter being *sub-judice*, STC management has decided not to refer the matter to CBI for the time being.

(c) The outstanding amount is fully securitized by STC through mortgage of property. STC are making efforts for attachment of property of the business associate. Further, arbitration proceedings have been initiated and insurance claim has been lodged. The payments are being vigorously followed up with the business associate and are expected to be received shortly.

(d) STC has informed that as against Principal amount of ₹ 54.30 crore, ₹ 44.02 crore (including Earnest Money Deposit of ₹ 8.53 crore) has already been recovered.