

| Sl. No. | Application No. | Geographical Indications                       |
|---------|-----------------|--|
| 16.     | 194             | Pembarthi Metal Craft                          |
| 17.     | 198             | Mangalagiri Sarees and Fabrics                 |
| 18.     | 203             | Bobbili Veena                                  |
| 19.     | 214             | Narayanpet Handloom Sarees                     |
| 20.     | 215             | Dharmavaram Handloom Pattu Sarees and Paavadas |

**Reservations against 100 per cent FDI in various sectors**

285. SHRI M.P. VEERENDRA KUMAR: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether FDI in nine sectors including 100 per cent in Defence sector has given rise to grave reservation from various quarters, how will Government justify this logic;

(b) similarly 74 per cent FDI in Brownfield and 100 per cent FDI in Greenfield projects in Pharma sector has raised apprehensions, how does Government justify this decision;

(c) whether any shortcomings have been reported in implementing the SEZ policy resulting in revenue loss to Government; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) Changes in the FDI policy are made after having intensive consultations with stakeholders including concerned Ministries/ Departments and after taking approval of the competent authority. FDI policy on Defence sector permits upto 49% under automatic route, and beyond 49% and upto 100% through Government approval route, wherever it is likely to result in access to modern technology or for other reasons to be recorded. However, foreign investment in the sector is subject to security clearance from ministry of Home Affairs and guidelines of the Ministry of Defence.

(b) With a view to address larger health concerns, the Government while reviewing FDI policy on pharma sector has put in place necessary safeguards. It has been provided that non-compete clause would not be permitted. Further extant FDI policy

on the sector mandates specified level of production of NLEM drugs and extent of R&D expenditure to be maintained by the investee company. Details of the FDI Policy on the sector are given in the Statement (*See below*).

(c) and (d) No such information is maintained.

### ***Statement***

#### *Details of FDI policy regarding various sectors*

***(Note: Extract of Press Note 5 of 2016 dated 24.06.2016)***

10. Para 5.2.27 of the FDI Policy is amended to read as under:

#### Pharmaceuticals

| Sector/Activity               | % of Equity/ FDI Cap | Entry Route   |
|-------------------------------|----------------------|---|
| <b>5.2.27.1</b><br>Greenfield | 100%                 | Automatic   |
| <b>5.2.27.2</b><br>Brownfield | 100%                 | Automatic up to 74%<br>Government route beyond<br>74% |

#### 5.2.27.3 Other Conditions

- (i) 'Non-compete' clause would not be allowed in automatic or government approval route except in special circumstances with the approval of the Foreign Investment Promotion Board.
- (ii) The prospective investor and the prospective investee are required to provide a certificate along with the FIPB application as per Annexure-10 of FDI Policy.
- (iii) Government may incorporate appropriate conditions for FDI in brownfield cases, at the time of granting approval.
- (iv) FDI in brownfield pharmaceuticals, under both automatic and government approval routes, is further subject to compliance of following conditions:
  - (a) The production level of National List of Essential Medicines (NLEM) drugs and/or consumables and their supply to the domestic market at the time of induction of FDI, being maintained over the next five years at an absolute quantitative level. The benchmark for this level would be decided with reference to the level of production of NLEM drugs and/or consumables in the three financial years, immediately preceding the year of induction of FDI.

Of these, the highest level of production in any of these three years would be taken as the level.

- (b) R&D expenses being maintained in value terms for 5 years at an absolute quantitative level at the time of induction of FDI. The benchmark for this level would be decided with reference to the highest level of R&D expenses which has been incurred in any of the three financial years immediately preceding the year of induction of FDI.
- (c) The administrative Ministry will be provided complete information pertaining to the transfer of technology, if any, along with induction of foreign investment into the investee company.

*Note:*

- (i) FDI up to 100%, under the automatic route is permitted for manufacturing of medical devices. The above mentioned conditions will, therefore, not be applicable to greenfield as well as brownfield projects of this industry.
- (ii) Medical device means-
  - a. any instrument, apparatus, appliance, implant, material or other article, whether used alone or in combination, including the software, intended by its manufacturer to be used specially for human beings or animals for one or more of the specific purposes of-
    - (aa) diagnosis, prevention, monitoring, treatment or alleviation of any disease or disorder;
    - (ab) diagnosis, monitoring, treatment, alleviation of, or assistance for, any injury or handicap;
    - (ac) investigation, replacement or modification or support of the anatomy or of a physiological process;
    - (ad) supporting or sustaining life;
    - (ae) disinfection of medical devices;
    - (af) control of conception,and which does not achieve its primary intended action in or on the human body or animals by any pharmacological or immunological or metabolic means, but which may be assisted in its intended function by such means;
  - b. an accessory to such an instrument, apparatus, appliance, material or other article;

- c. a device which is reagent, reagent product, calibrator, control material, kit, instrument, apparatus, equipment or system whether used alone or in combination thereof intended to be used for examination and providing information for medical or diagnostic purposes by means of in vitro examination of specimens derived from the human body or animals.
- (iii) The definition of medical device at Note (ii) above would be subject to the amendment in Drugs and Cosmetics Act.

#### **Impact of import of Tyres**

†286. SHRI MEGHRAJ JAIN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the year-wise and country-wise details of imported tyres/radial tyres including those of trucks and buses in the country during the last three years and the current year;
- (b) whether import of tyres, particularly from China, has increased in the country;
- (c) if so, whether the tyre industry has requested Government to take measures to discontinue import of radial tyres in the country, if so, the details thereof; and
- (d) Government's reaction to the request and whether Government has taken any steps to protect the domestic tyre industry, if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) Year and country-wise details of import of tyres, including those of trucks and buses, during the last three years and the current year are given in the Statement (*See* below).

(c) and (d) Government has received a petition from Automotive Tyre Manufacturers' Association (ATMA) for imposition of anti - dumping duty on imports of bus and truck radial tyres from China PR. Accordingly, the Directorate General of Anti-Dumping & Allied Duties (DGAD) has initiated anti - dumping investigation on imports of "New / unused pneumatic radial tyres with or without tubes and / or flap of rubber (including tubeless tyres), having nominal rim dia code above 16", used in buses and lorries/trucks originating in or exported from China PR.

Further, anti - dumping duty on imports of new non-radial bias tyres for buses and lorries from China PR and Thailand has been imposed in the range of US \$ 0.86 to 1.31 per KG with effect from 8.10.2012.

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†Original notice of the question was received in Hindi.