

SHRI PALVAI GOVARDHAN REDDY (Telangana): Sir, I too associate myself with the issue raised by the hon. Member.

SHRI ANANDA BHASKAR RAPOLU (Telangana): Sir, I too associate myself with the issue raised by the hon. Member.

SHRIMATI RENUKA CHOWDHURY (Andhra Pradesh): Sir, I too associate myself with the issue raised by the hon. Member.

SHRI P. BHATTACHARYA (West Bengal): Sir, I too associate myself with the issue raised by the hon. Member.

**श्री नीरज शेखर** (उत्तर प्रदेश): महोदय, मैं भी स्वयं को इस विषय से सम्बद्ध करता हूँ।

**कई माननीय सदस्य:** महोदय, हम भी स्वयं को इस विषय से सम्बद्ध करते हैं।

12.00 Noon

### ORAL ANSWERS TO QUESTIONS

MR. CHAIRMAN *in the Chair*:

#### शत-प्रतिशत प्रत्यक्ष विदेशी निवेश को अनुमति दिया जाना

\*106. **श्री विशम्भर प्रसाद निषाद:** क्या वाणिज्य और उद्योग मंत्री यह बताने की कृपा करेंगे कि:

(क) उन क्षेत्रों का ब्यौरा क्या है जिनमें शत-प्रतिशत प्रत्यक्ष विदेशी निवेश की अनुमति प्रदान की गई है;

(ख) प्रत्यक्ष विदेशी निवेश की अनुमति देते समय क्या स्वदेश में वस्तुएं निर्मित करने और स्वदेश के लोगों को रोजगार देने जैसी बातों का कड़ाई से अनुपालन करने की शर्त रखी गई है; और

(ग) क्या शत-प्रतिशत प्रत्यक्ष विदेशी निवेश की अनुमति दिये जाने से देश के छोटे और मझोले रोजगार पर दुष्प्रभाव पड़ने की आशंका व्यक्त की जा रही है?

**वाणिज्य और उद्योग मंत्रालय की राज्य मंत्री (श्रीमती निर्मला सीतारमण):** (क) से (ग) विवरण सभा पटल पर रख दिया गया है।

#### *विवरण*

(क) से (ग) सरकार ने प्रत्यक्ष विदेशी निवेश (एफडीआई) के लिए एक उदार तथा पारदर्शी नीति लागू की है जिसमें विनिर्माण क्षेत्र सहित अधिकांश क्षेत्र स्वदतः अनुमोदन मार्ग के अंतर्गत 100 प्रतिशत एफडीआई प्राप्त कर सकते हैं। वास्तविक रूप से विनिर्माण को प्रोत्साहित करने के लिए एफडीआई नीति में 'विनिर्माण' शब्द की व्याकरणिक रूपांतरणों के साथ, स्पष्ट परिभाषा उपलब्ध है जिसका अर्थ है — निर्जीव भौतिक वस्तु अथवा पदार्थ में परिवर्तन — (1) जिसके

परिणामस्वरूप वस्तु अथवा पदार्थ का एक नई तथा विशिष्ट वस्तु अथवा पदार्थ में कार्यान्तरण होता है अथवा जिसका नाम, गुण और उपयोग अलग होता है; या (II) एक नई तथा विशिष्ट वस्तु अथवा पदार्थ को अस्तित्व में लाना जिसका एक अलग रासायनिक संघटन अथवा अभिन्न रूप होता है।

सरकार एफडीआई नीति की सतत् आधार पर समीक्षा करती रहती है तथा समय-समय पर महत्वपूर्ण परिवर्तन करती है ताकि भारत उत्तरोत्तर एक आकर्षक तथा निवेशकनुकूल निवेश स्थल बना रहे। एफडीआई सीमाओं के साथ विभिन्न क्षेत्रों के संबंध में क्षेत्र विशिष्ट शर्तें, समय-समय पर उत्तरवर्ती प्रेस नोटों के माध्यम से यथा-संशोधित 'समेकित एफडीआई नीति, परिपत्र, 2016' में दी गई हैं जो कि औद्योगिक नीति एवं संवर्धन विभाग की वेबसाइट [www.dipp.nic.in](http://www.dipp.nic.in) पर उपलब्ध हैं।

एफडीआई अंतर्वाह से स्वदेशी पूंजी बढ़ती है तथा सभी क्षेत्रों में रोजगार सृजन प्रोत्साहित होता है। इसके अलावा, विभिन्न क्षेत्रों में ऐसे निवेशों से बेहतरीन अंतर्राष्ट्रीय प्रक्रियाएं तथा नवीनतम प्रौद्योगिकियां उपलब्ध होती हैं जिसके फलस्वरूप, देश में आर्थिक विकास होता है तथा रोजगार का सृजन होता है।

### **Allowing 100 per cent FDI**

†\*106. SHRI VISHAMBHAR PRASAD NISHAD: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details of sectors in which 100 per cent Foreign Direct Investment (FDI) has been allowed;

(b) whether any conditions have been attached in the permission of FDI regarding strict compliance of points such as manufacturing of items in the country and providing employment to the people of the country; and

(c) whether there is any adverse impact on small and medium scale employment of the country due to the permission of 100 per cent FDI?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) to (c) A Statement is laid on the Table of the House.

### ***Statement***

(a) to (c) Government has put in place a liberal and transparent policy for Foreign Direct Investment (FDI), wherein most of the sectors including manufacturing are open to 100% FDI under the automatic route. In order to promote genuine manufacturing, FDI policy has provided unambiguous definition of the term that 'Manufacture', with its grammatical variations, means a change in a non-living physical object or article or thing- (i) resulting in transformation of the object or article or thing into a new

† Original notice of the question was received in Hindi.

and distinct object or article or thing having a different name, character and use; or (ii) bringing into existence of a new and distinct object or article or thing with a different chemical composition or integral structure.

Government reviews the FDI policy on an ongoing basis and makes significant changes from time to time, to ensure that India remains increasingly attractive and investor-friendly investment destination. Sector specific conditionalities on various sectors alongwith FDI limits are provided in 'Consolidated FDI Policy Circular of 2016', as amended from time to time, through subsequent Press Notes, which is available at the website of Department of Industrial Policy and Promotion at [www.dipp.nic.in](http://www.dipp.nic.in).

FDI inflows serve to augment domestic capital and promote employment generation across sectors. Further, such investments in various sectors bring international best practices and latest technologies leading to economic growth and employment generation in the country.

**श्री विशम्भर प्रसाद निषाद:** सभापति महोदय, मैं चाहूँगा कि मेरे प्रश्न का जवाब ये हिन्दी में दें। क्योंकि लाइव टेलिकास्ट होता है और यह विदेशी निवेश का मामला है, तो मैं माननीय मंत्री जी से कहना चाहूँगा कि वे हिन्दी में जवाब दें।

**श्री सभापति:** आप अपना सप्लीमेंटरी क्वेश्चन पूछिए।

**श्री विशम्भर प्रसाद निषाद:** सभापति महोदय, मैंने सवाल किया था कि सरकार ने शत-प्रतिशत विदेशी निवेश की अनुमति दी है। इसमें मैं यह कहना चाहूँगा कि जब भारतीय जनता पार्टी विपक्ष में थी तो श्रीमती सुष्मा स्वराज जी नेता विपक्ष थीं। उन्होंने इस बात पर कई बार हाउस adjourn कराया कि हम 100 परसेंट एफडीआई का विरोध करते हैं। मान्यवर, इससे बहुराष्ट्रीय कम्पनीज़ को लाभ मिलेगा, घरेलू उद्योग और श्रमिक बरबाद हो जाएँगे और यहां राष्ट्रवाद नहीं, बहुराष्ट्रीय कम्पनीवाद हो जाएगा। चूँकि इन्होंने रक्षा में और तमाम चीज़ों में 100 फीसदी एफडीआई के लिए समर्थन किया है, तो मान्यवर, मैं इनसे सवाल पूछना चाहता हूँ कि क्या सरकार ने देश के मंझोले और कुटीर उद्योगों में लगे कर्मचारियों के भविष्य के संबंध में मूल्यांकन कराया है, जिसमें बेरोजगारी की समस्या सुलझ सके?

**श्री सभापति:** थैंक यू। आपने सवाल पूछ लिया, अब जवाब सुन लीजिए।

**श्री विशम्भर प्रसाद निषाद:** सर ...(व्यवधान)...जो लोग मंझोले उद्योग एवं छोटे कुटीर उद्योग में लगे हुए हैं, तो क्या इन्होंने देश में सर्वे कराया है कि उनका रोजगार सुरक्षित रहेगा या बेरोजगारी बढ़ेगी, मैं इसके बारे में जानना चाहूँगा।

**श्री सभापति:** ठीक है।

SHRIMATI NIRMALA SITHARAMAN: Sir, regarding the hon. Member's concern that if FDI is brought into this country is it going to affect employment, I would

like to tell the Member that, most of the time, consultations are held with all the sectors concerned much before announcements are made. So, I will only have to state that greater the investment, greater the opportunity for employment generation.

**श्री विशम्भर प्रसाद निषाद:** मान्यवर, मैं जो उत्तर चाहता था, वह इन्होंने नहीं दिया। इन्होंने डिफेंस में, एयरलाइंस में, फार्मा में, फूड में, ई-कॉमर्स में, बीमा में, सबमें दे दिया है। जब दवाएँ पूरी तरह विदेश पर निर्भर हो जाएँगी, तो दवाएँ महँगी हो जाएँगी और हमारा देश जो किसानों का देश है, गरीब आदमी महँगी दवाएँ नहीं खरीद सकता है। हमारे जो किसान लोग फूड का उत्पादन करते हैं, सारी विदेशी कम्पनीज़ उसमें आ जाएँगी। तो मैं इनसे इस बारे में पूछना चाहता हूँ। माननीय मंत्री जी ने इसका जो उत्तर दिया है, वह गोलमोल उत्तर है और मैंने जो सही उत्तर माँगा था, इसमें इन्होंने नहीं दिया है।

**श्री सभापति:** आप सवाल पूछिए।

**श्री विशम्भर प्रसाद निषाद:** मान्यवर, मैं सवाल पूछ रहा हूँ। एफडीआई से रोजगार बढ़ने की बात कही गई है, तो..

**श्री सभापति:** नहीं, नहीं। आप प्रश्न पूछिए।

**श्री विशम्भर प्रसाद निषाद:** मान्यवर, मैं मंत्री जी से यह पूछना चाहता हूँ कि आपने जो रक्षा में एफडीआई 100 प्रतिशत कर दिया है, तो क्या विदेश नीति या आन्तरिक सुरक्षा में खतरा पैदा नहीं होगा? हम लोग हाउस में बैठे हैं। अगर आप इन निजी एजेंसीज़ को अनुमति दे देंगे, जब विदेशी एजेंसीज़ आ जाएँगी, तो क्या हम विधान सभाओं एवं लोक सभा में उनके खिलाफ बोल पाएँगे? क्या उससे देश की सुरक्षा को खतरा नहीं होगा? इसके बारे में बताएँ।

SHRIMATI NIRMALA SITHARAMAN: Sir, opening up of FDI for defence or for certain sensitive sectors, as the hon. Member would want to understand, — I think, that is the strain of the question — would say that all undergo due diligence in terms of who the owners are going to be, what is the kind of money which is coming in, etc. Internal security-related questions will be answered through the Ministry of Home Affairs' due checking and the Ministry of Defence also does its own checking. So, when we say whether it is automatic or through the Government route, all processes for establishing the facts behind this investment and implications of security are duly done and diligences completed.

MR. CHAIRMAN: Thank you. Shri Anand Sharma. ...*(Interruptions)*...

**श्री विशम्भर प्रसाद निषाद:** सर, मेरे प्रश्न का जवाब नहीं आया। ...*(व्यवधान)*...

**श्री सभापति:** नहीं। आपके सवाल का जवाब हो गया, अब दूसरा प्रश्न होने दीजिए। ...*(व्यवधान)*...

**श्री विशम्भर प्रसाद निषाद:** सर ...*(व्यवधान)*... इस विषय पर Short Duration Discussion करवा दीजिए। ...*(व्यवधान)*...

श्री सभापति: आप उसका नोटिस दीजिए। ...*(व्यवधान)*...

SHRI ANAND SHARMA: Sir, before I put my supplementary, I have something to submit to you for your consideration.

MR. CHAIRMAN: Is it related to this question?

SHRI ANAND SHARMA: Yes, Sir, it is related to this question.

MR. CHAIRMAN: All right.

SHRI ANAND SHARMA: It also says that instead of listing the sector in which FDI has been permitted — that is what the question is — 100 per cent, those have not been listed, but the Members are advised to go to the DIPP site. Sir, with all humility, I would say that this is a disrespect and discourtesy to this House. It has been mentioned in the past that when a specific query is, 'which sectors have been opened 100 per cent for FDI, that should have been answered. For further details we can be advised'. This should not have been the answer.

MR. CHAIRMAN: I think there is an advisory on the subject already. We will look into it.

SHRI ANAND SHARMA: My supplementary pertains to the decision taken by the Cabinet to open up certain sectors for 100 per cent and also 74 per cent in Brownfield pharmaceuticals. I have with me, Sir, a Press Release from the Prime Minister's Office the day these decisions were made with regard to Defence, allowing FDI beyond 49 per cent which was the earlier policy, but the condition of access to state of our technology in the country has been done away with. Sir, I would like the hon. Minister to inform the House that while this decision was made, and, secondly, for Defence, earlier policy as notified was not only allowing FDI with FIPB scrutiny, but also the final approval of the Cabinet Committee of Security. Now, I would like to know whether that approval of CCS is notified; or has that also been done away with. The related query to this Sir, is because of 100 per cent, you have allowed in Civil Aviation sector. Now, there is an issue of ownership and control when it comes to airline and the FDI policy definition of ownership and control is in line with the Company's Act and with the SEBI definition of ownership and control. Now, if you allow 100 per cent, even under the Aircraft Act, there are going to be contradictions which you need to explain. Since this policy also allows 74 per cent in Brownfield pharma, there was a conscious decision earlier not to permit, given the takeover through mergers and acquisitions of critical injectables and oncology sectors and in one particular case in cancer/oncology only one unit was left with the country and that is why beyond 49 per cent it was not permitted.

You have allowed 74 per cent in Brownfield pharma also. So, all these three need to be explained to us.

SHRIMATI NIRMALA SITHARAMAN: Sir, the first thing was about the 'state of the art' being dropped. I just want to draw the attention of the former Minister for Commerce and Industry that the earlier definition or the earlier expressions used had two or three such mentions such as cutting edge technology, state-of-the-art and modern. It was being increasingly felt that the files were going through Ministries and we were looking at definition for each of one of them, what is 'state of the art', what is cutting edge and so on and a lot of time was being wasted. Now, what we have done in the process of simplification is to drop state of the art, cutting edge but retain modern technology. Therefore, FDI, when it was being brought at a higher level, when it comes with technology, we have underlined that it comes with modern technology. So, that addresses the question that we have not completely dropped everything to do with technology. We have just brought in a bit of simplification instead of having three, we have just got one to say it. The second thing is, CCS approval will not be required any more, even in Defence. However, the process of approval itself will include the Defence Ministry and the Ministry of Home Affairs, both of whom will go into all the details which will have to be looked at from the point of view of the defence of the nation, internal security and every other matter which relates to the national security and therefore, that has been done away with. Coming to Civil Aviation, the clarity that I wanted to bring in here is: Wherever we were talking about 49 per cent through the Government approval route and over 49 per cent through some other route, we have only said that if it is possible that everything less than 49 per cent, would be through automatic route and if it is more than 49 per cent it passes through the approval route.

The last question is about the Brownfield pharma.

SHRI ANAND SHARMA: You have not answered about ownership and control.

SHRIMATI NIRMALA SITHARAMAN: Sorry Can I reply?

Sir, Indian pharmaceuticals, today, are confident enough to run their business. They have captured the global standards. They are the leaders in generic medicines. And, therefore, we wanted to give them a greater traction. We have had consultations with industry. And, it is only after receiving suggestions from the industry, we have opened up the Brownfield and, subsequently, also the Greenfield.

SHRI TAPAN KUMAR SEN: Sir, my immediate reaction is, with so many provisions being quite liberally used through automatic route, I don't know how far the due diligence in the areas that is needed – I am not talking about other

commercial areas – can be exercised. There is a doubt, particularly, in the era of philosophy of creative destruction. Let ‘creative’ go out and ‘destruction’ remain; let us not face that situation.

My specific question is: The ‘state-of-the-art’ and ‘modern’ is not one and the same. When it comes, particularly, to Defence sector, we are asking for the state-of-the-art technology. Sir, ‘modern’ is too vague to open the door of transferring their obsolete things on our soil. I think, on that also, an appropriate review is required.

My specific question in this House is this. While allowing the FDI in retail sector – it was a hot debate – you were on the other side and you have been made to understand that we are unnecessarily opposing that. A provision of 30 per cent sourcing from the domestic source is kept, specifically, to promote employment. That is the route for promoting domestic employment. Now, has this been done away with? Very recently, with regard to Apple inc., it appears that once door is open, it will become a big gate in the days to come that you are doing away with the condition of 30 per cent domestic sourcing. That is why I am telling you that it will no more be a ‘creative destruction’; only ‘destruction’ will remain and ‘creativity’ will go. So, please respond to that.

SHRIMATI NIRMALA SITHARAMAN: Sir, I would like to put the hon. Member’s question in a broader perspective and reply.

In Defence, yes, all of us are equally concerned. I appreciate the hon. Member’s concern. But, the decision-making people or the people who are going through the process of approvals are no less concerned than the hon. Member and are equally concerned about the national security. They are not going to be overlooking some facts and then giving approvals; not at all. The concern that we have in mind is very well explained by the fact that if we are spending huge amounts on purchase of equipment for Defence, is it not possible for us, being a large purchaser of Defence equipments, to invite these companies to come and produce in India and also not just supply for us but any excess that would be produced, other than what we buy, being exported. Thereby, it gives an opportunity for India to generate employment and also create such investment which will eventually keep money, largely, within India. So, the intention with which we, particularly, opened the Defence sector is that we are huge spenders for Defence equipment purchases from abroad. If it is only possible to have them produce in India and supply for our requirements and, over and above, that create jobs, it would be fine.

I am sure, all of us appreciate that people who are looking at approvals are equally concerned about national security.

The other question is, of modern and the state-of-the-art technology not being allowed in manufacturing. It is not true. This policy allows them to manufacture in India and reduce import at huge cost. We should keep that in mind. As regards the local sourcing requirement, the Apple has not even come back to us to get approved anything. What we have just said is, we just provided a relaxation ...(Interruptions)... Sorry? ...(Interruptions)...

SHRI TAPAN KUMAR SEN: For eight years!

SHRIMATI NIRMALA SITHARAMAN: We have just given a relaxation that in the first three years, if local sourcing ...(Interruptions)... Let us say their retail outlet is becoming difficult, the first three years will be exempted, but the average that we calculate for the local sourcing requirement will be applicable after that for five years. So, it is not that as if we have completely dispensed with that clause. We have only said that give a breather for the first three years. We may do it afterwards. But let me put it on record here that I have approached Apple to explain what we have done as a policy change or tweaking. We have not yet had any response from the Apple. So, there is nothing that we have approved ...(Interruptions)...

MR. CHAIRMAN: No; no. No discussion on this. ...(Interruptions)... Mr. Tapan Sen, please. ...(Interruptions)...

SHRI TAPAN KUMAR SEN: Kindly go through your party's speech during the debate on this issue in this House. ...(Interruptions)...

MR. CHAIRMAN: That is a different matter. ...(Interruptions)...

SHRI TAPAN KUMAR SEN: Kindly go through that. ...(Interruptions)... Why is this change of heart? ...(Interruptions)...

MR. CHAIRMAN: Heart does change its ways. ...(Interruptions)... Now, Shri Antony. ...(Interruptions)...

SHRI A. K. ANTONY: Sir, the FDI in Defence cannot be treated at par with any other department because Defence concerns security. That is why, hitherto, the Government, our Government even after opening FDI to Defence, was particular to go through all procedures carefully. That is why, with regard to Defence, the CCS, the Cabinet Committee on Security, consisted of the Prime Minister, the Home Minister, the Defence Minister, the Finance Minister and the External Affairs Minister. So, all the important Ministries, including the Prime Minister, have to go through carefully in clearing any decision concerning Defence and Home. This time, you are opening FDI in Defence without the CCS clearance, without even informing the CCS. So, you are opening it up and that means, anybody can come in. You say, at the lower



level, there would be scrutiny. That is a callous approach. So, you are opening it up for FDI without the CCS clearance. This will jeopardize our national security if that remains the trend. This has been expressed by various people, Secretary. Another thing, you would repent doing away with the state-of-the-art technology in the long run. This will ultimately kill the initiative of the Indian scientists. Indigenous research and development would be the casualty. The first casualty would be our DRDO. Have you consulted the DRDO about this new decision?

SHRIMATI NIRMALA SITHARAMAN: Sir, the hon. Member has expressed his concern. I heard it with due respect. I am not sure if there is any particular question. The Government has definitely consulted everybody, much before taking the decision.

MR. CHAIRMAN: Question No. 107. ...(Interruptions)... No; no, that is enough. ...(Interruptions)... We are going to the next question. ...(Interruptions)... No, I am sorry. ...(Interruptions)... I cannot take more than three supplementaries. ...(Interruptions)... It has happened to you also. ...(Interruptions)... Prafulji, you had a question yesterday. ...(Interruptions)... From what I see from record, it was not your initial question. ...(Interruptions)... No, no. I have a record. You had a question yesterday. ...(Interruptions)... Yesterday also, one party happened to get more than one question. ...(Interruptions)... Please let me go to the next question. ...(Interruptions)...

SHRI ANAND SHARMA: The approval of the CCS has not been taken. That needs to be explained. ...(Interruptions)...

SHRI PRAFUL PATEL: Sir, we are also concerned with the issue. We are a small party. That does not mean ...(Interruptions)... What is wrong in making an exception some time? ...(Interruptions)... Please give us a chance. ...(Interruptions)...

SHRI TIRUCHI SIVA: We will give notice to have a separate discussion. ...(Interruptions)...

MR. CHAIRMAN: Please do. We will have a discussion on it. It is a fit subject. ...(Interruptions)...

SHRI TIRUCHI SIVA: Kindly give priority to that notice. ...(Interruptions)...

MR. CHAIRMAN: Yes, Sharadji.

श्री शरद यादव: सर, अन्तोनी साहब ने जो पूछा, उसका ठीक जवाब नहीं आया है। ... (व्यवधान)...

श्री सभापति: शरद जी, प्लीज़। ... (व्यवधान) ... इस पर अब छोड़ दीजिए। ... (व्यवधान)...

श्री शरद यादव : आप कस्टोडियन हैं। यह जो जवाब आया है, यह ठीक नहीं है। ... (व्यवधान)...

श्री सभापति: अगर जवाब ठीक नहीं है, then, there is a procedure for it. ...*(Interruptions)*... No; no. Listen to me, Prafulji. ...*(Interruptions)*...

SHRI PRAFUL PATEL: We are also a responsible party. ...*(Interruptions)*...

MR. CHAIRMAN: Of course, you are responsible. ...*(Interruptions)*...

SHRI PRAFUL PATEL: We do not put questions. ...*(Interruptions)*...

MR. CHAIRMAN: Please let me adhere to an established procedure. ...*(Interruptions)*...

SHRI PRAFUL PATEL: Sir, I raised my hand.

MR. CHAIRMAN: I know that.

SHRI PRAFUL PATEL: Sir, we ask questions once in a while.

MR. CHAIRMAN: That is okay.

SHRI PRAFUL PATEL: We can contribute. We don't ask questions just to...

MR. CHAIRMAN: No, no. Yesterday also, you asked a question.

SHRI PRAFUL PATEL: It doesn't mean that I can't ask a question today.

MR. CHAIRMAN: I have to rotate questions. Somebody who has never asked. ...*(Interruptions)*...

SHRI PRAFUL PATEL: Sir, I also know when... ...*(Interruptions)*...

MR. CHAIRMAN: Why can't we can have a discussion in my Chamber?

SHRI PRAFUL PATEL: I will come, Sir. But I have every right to at least voice my grievance.

### **Missing children in NCR**

\*107. SHRI KIRANMAY NANDA: Will the Minister of HOME AFFAIRS be pleased to state:

(a) the number of male and female children missing in last two years from National Capital Region (NCR);

(b) the number of traced back male and female children during last two years from NCR;

(c) whether it is also a fact that maximum number of missing female children belong to the age group of 12 to 18 years; and