

investee companies should be carried out as joint audit wherein one of the auditors should not be part of the same network.

30. **Animal Husbandry:** As per FDI Policy 2016, FDI in Animal Husbandry (including breeding of dogs), Pisciculture, Aquaculture and Apiculture is allowed 100% under Automatic Route under controlled conditions. This requirement of 'controlled conditions' for FDI in these activities has been done away with.
31. **Other Financial Services:** Government has reviewed FDI policy on Other Financial Services and NBFCs to provide that foreign investment in financial services activities regulated by financial sector regulators such as RBI, SEBI, IRDA etc. will be 100% under the automatic route. In financial services, which are not regulated by any financial sector regulator or where only part of the financial service activity is regulated or where there is doubt regarding regulatory oversight, foreign investment upto 100% will be allowed under the government approval route.

Setting up of iPhone manufacturing units

498. SHRI K. R. ARJUNAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether it is a fact that Government is waiting for good proposals from iPhone manufacturer for setting up manufacturing base in the country;
- (b) if so, the details thereof;
- (c) whether it is also a fact that there were reports that leading iPhone manufacturer has shown keen interest to set up units in the country; and
- (d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI C. R. CHAUDHARY): (a) to (d) Promoting manufacturing in the country has been one of the prime objectives of the Government. Accordingly, Government has permitted 100% FDI under the automatic route in manufacturing, except defence and pharmaceuticals manufacturing. As per extant FDI policy, foreign investment up to 100 percent is permitted for a company engaged in the business of manufacturing mobile phones. Under the automatic route, investment in the country can be made without prior approval either of the Government or the Reserve Bank of India. The Government has made enabling provisions for foreign investors to set up manufacturing base in India, including in the mobile phone sector.

However, FDI is largely a matter of private business decisions, and therefore, Government has no details regarding probable proposals of foreign companies. It is understood that Wistron (a Taiwanese contract manufacturer) has set up a manufacturing facility in Bengaluru to manufacture iPhones.

Incentives to states for promoting exports

499. SHRI SANJAY RAUT: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is considering to give incentives to States for promoting exports and push the country's industrial growth;

(b) if so, the details thereof; and

(c) the details of steps taken/proposed to be taken by Government for growth of exports and becoming less dependent on imports, particularly in electronics, defence sector, etc.?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI C. R. CHAUDHARY): (a) No, Sir.

(b) Does not arise in view of (a) above.

(c) The Government has recently announced the Mid Term Review of the Foreign Trade Policy 2015-20 on 05.12.2017 under which measures to boost exports for all notified products under the Merchandise Exports from India Scheme (MEIS) were announced. This Scheme was introduced in the Foreign Trade Policy (FTP) 2015-20 on April 1, 2015. As on date, 7950 Tariff Lines at 8 digit level are eligible for rewards under MEIS at rates of currently at 2%, 3%, 4%, 5% and 7% of realized FOB value. The scheme does not target exports from any specific state from India and all notified products are granted incentive. For the electronics sector, at the time of review of Mid Term review of FTP, an annual additional incentive of ₹ 233.3 Cr was provided for 74 tariff lines at 8 digit level.

Further, in order to promote India's exports and minimize the trade deficit, the Government announced a major relief package for exporters in October 2017 by extending the Advance Authorization (AA)/Export Promotion Capital Goods (EPCG)/100% EOU schemes to sourcing inputs etc. from abroad as well as domestic suppliers. During the mid-term review of Foreign Trade Policy, export incentives under Merchandise Exports from India (MEIS) have been increased by 2% for labour intensive and MSME sectors leading to additional annual incentive of ₹ 4,567 crore. This was in addition to already announced increase in MEIS incentives from 2%