

has agreed to provide Viability Gap Funding (VGF) to the Selected Airline Operators (SAO) under UDAN International.

Regulation of Air Traffic Controller by DGCA

1107. DR. SASIKALA PUSHPA RAMASWAMY: Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether it is a fact that regulation of Air Traffic Controller has been taken over by the Directorate General of Civil Aviation (DGCA) from Airports Authority of India (AAI);
- (b) if so, the details thereof; and
- (c) the reasons for transfer of Air Traffic Controller regulation from AAI to DGCA?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION (SHRI JAYANT SINHA): (a) to (c) Yes, Sir. The audit team of the International Civil Aviation Organisation under its 'Universal Safety Oversight Audit Programme - Continuous Monitoring Approach' conducted audit of the Indian Civil Aviation from 6th to 16th November, 2016, and observed lack of oversight on Air Traffic Controllers of the Airports Authority of India by the Directorate General of Civil Aviation (DGCA). The shortcoming has been overcome by assigning the task of overseeing the regulatory and safety functions to the DGCA.

New FDI e-commerce policy

1108. SHRIMATI SAROJINI HEMBRAM: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether Government has placed any restriction on foreign investments in e-commerce sector keeping in view the interests of small traders and shopkeepers;
- (b) if so, the details thereof;
- (c) whether Government has formulated any new policy for the e-commerce firms pertaining to the sale of their products; and
- (d) if so, the details thereof and its benefits to the domestic retailers?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI C.R. CHAUDHARY): (a) and (b) As per extant Foreign Direct Investment (FDI) policy, FDI up to 100% is permitted under automatic route in companies engaged in

e-commerce provided that such company engaged only in Business to Business (B2B) e-commerce. Further, 100% FDI under automatic route is permitted in marketplace model of e-commerce but FDI is not permitted in inventory based model of e-commerce. Moreover, an entity is permitted to undertake retail trading through e-commerce under the following circumstances, subject to FDI policy provisions:—

- (i) A manufacturer is permitted to sell its products manufactured in India through e-commerce retail.
- (ii) A single brand retail trading entity operating through brick and mortar stores is permitted to undertake retail trading through e-commerce.
- (iii) A food product retail trading entity is allowed to undertake retail trading, including through e-commerce, in respect of food products manufactured and/or produced in India.

(c) and (d) In order to provide clarity to FDI policy on e-commerce and to ensure due compliance of the FDI policy on this sector, Press Note 2 (2018) has been issued. There has been no change in FDI Policy on e-commerce. The said Press Note 2 (2018) has been notified *vide* RBI Notification No. FEMA.20(R)(6)/2019-RB dated 31.01.2019 and is effective from 01.02.2019. It places several conditions on e-commerce entities, some of which are as below:

- (i) An entity having equity participation by e-commerce marketplace entity or its group companies, or having control on its inventory by e-commerce marketplace entity or its group companies, will not be permitted to sell its products on the platform run by such marketplace entity.
- (ii) e-commerce marketplace entity will not mandate any seller to sell any product exclusively on its platform only.

These changes are meant to create a level playing field and ensure neutral nature of e-commerce platform.

Growth rate of FDI inflows

1109. DR. BANDA PRAKASH:

SHRI SANJAY RAUT:

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether according to the latest data released by the Department of Industrial Policy and Promotion (DIPP), FDI inflow growth rate recorded a five year low;