

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a) and (b). In the absence of the name of the company which the Hon'ble Members have in view, it is difficult to give a specific reply. However, Government's policy towards allowing private foreign investment in new Indian companies is highly selective. Foreign equity participation is not permitted in a new company to be established for the production of non-priority consumer items. If there is any substantial export orientation in the proposal, such a case is considered on merits. Also, in terms of the Guidelines on Section 29 of the FERA 1973 a branch of a foreign company engaged in non-essential consumer products would be required to convert itself into an Indian company with non-resident interest of 40 per cent.

Reduction in foreign equity by multinational companies

1078. **SHRI B. S. BHAURA:**

SHRI M. KATHAMUTHU: Will the Minister of FINANCE be pleased to state:

(a) the names of the multi-national companies operating in India which have reduced their equity share capital to 40 per cent;

(b) the particulars of the companies which are yet to do that; and

(c) the action taken against them?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a) to (c). As on 31st July, 1976, 55 foreign companies, as per statement A laid on the Table of the House, [Placed in Library. See No. LT—11163/76], have reduced their non-resident interest to 40%. In respect of 138 foreign companies, as per Statement B, laid on the Table of the House, [Placed in Library. See No. LT—11163/76], the Reserve Bank of India has given approval to continue their activity subject to dilution to 40 per cent. Besides, in a number of cases, letters of intent have been issued to foreign companies requiring them to dilute their non-resident interest to 40 per cent within a specified period. The question of

taking any action against the companies does not therefore arise at this stage.

Foreign Investment in India

1079. **SHRI RAJDEO SINGH:** Will the Minister of FINANCE be pleased to state:

(a) whether leading industrialists, bankers and businessmen in West Germany, the USA and Britain believe that under the stability, national discipline and drive created by the emergency, India can become not only a strong but one of the economically strongest countries in the world;

(b) if so, whether they are ready and eager to go on large scale investment in India on a mutually beneficial basis; and

(c) if so, the reaction of Government thereto?

THE MINISTER OF FINANCE (SHRI C. SUBRAMANIAM): (a)

to (c). Government have taken note of the favourable response and appreciative references made in certain business circles abroad to the economic situation in the country after the Emergency. Investment proposals, as and when received, will be considered in terms of the present policy governing foreign investment.

Dry Port in Delhi

1080. **SHRIMATI ROZA DESHPANDE:** Will the Minister of COMMERCE be pleased to state:

(a) whether Government have decided to set up dry port in Delhi;

(b) whether Government have taken a decision on the location thereof; and

(c) if so, the main features thereof?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI VISHWANATH PRATAP SINGH):

(a) It has been decided in principle to set up a Dry Port.

(b) The location of the Dry Port is yet to be decided.

(c) Does not arise.

Resumption of Economic Aid from Canada

1081. **SHRI S. A. MURUGANATHAM:** Will the Minister of FINANCE be pleased to state whether the Government