

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

UNSTARRED QUESTION NO:1068  
ANSWERED ON:15.11.2010  
VIOLATION OF FDI IN BANNED COMMODITIES  
Ray Shri Rudramadhab

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

(a) whether the certain foreign firms have set up Whole Sale Trading companies by violating the FDI policy in banned commodity like tobacco and cigarette and given boost to their products in the country; and

(b) if so, the steps being taken to ensure compliance of FDI policy in the banned commodities?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a): As per extant FDI policy, FDI in Cash & Carry Wholesale Trading/ Wholesale Trading is not prohibited for tobacco and cigarettes. Only FDI in manufacturing of 'Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes' has been prohibited.

(b): Does not arise.