

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

UNSTARRED QUESTION NO:2918
ANSWERED ON:14.03.2011
FDI IN CASH AND CARRY SECTOR
Aaron Rashid Shri J.M.

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

- (a) the total FDI attracted since the opening of the cash and carry sector;
- (b) the companies who have invested in the cash and carry segment and the differences between the proposed and actual investment by these players;
- (c) the details regarding sectors/areas of investment by players in infrastructure, warehouses, cold storage sectors;
- (d) whether any cases of violations by these players in terms of tax evasions, VAT declaration etc. have come to the notice of the Government; and
- (e) if so, the details thereof and the reaction of the Government thereto?

Answer

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

(a): As per the data maintained by Department of Industrial Policy & Promotion, as received from the Reserve Bank of India, Foreign Direct Investment (FDI) equity inflows, amounting to Rs. 9,967.60 Crores (US \$ 2,258.28 million) have been received in Trading (Wholesale Cash & Carry) sector, from April, 2000 to December, 2010. Sector-wise data was not maintained prior to this period.

(b): Over 900 companies have received FDI, for undertaking Wholesale Cash & Carry activities, from April, 2000 to December, 2010. As FDI in this activity is permitted under the automatic route, such proposals do not require Government approval, through the Foreign Investment Promotion Board (FIPB), for induction of FDI.

(c): Details with regard to areas of investment, by players in the Wholesale cash & Carry Sector, in infrastructure, warehouses and cold storage sectors, are not centrally maintained by the Department of Industrial Policy & Promotion.

(d) & (e): Sector-wise details of tax evasion are not maintained in the Department of Revenue. No specific instance of violation, in terms of tax evasion, by international investors and players in cash and carry sector has come to the notice of the Central Board of Direct Taxes (CBDT), Department of Revenue, as of date, during tax audit. However, certain instances of foreign investors not complying with tax withholding provisions, while divesting their stakes in Indian entities, to other non-residents, have been detected, against which CBDT raises tax demands.