

**GOVERNMENT OF INDIA**  
**MINISTRY OF FINANCE**  
**DEPARTMENT OF ECONOMIC AFFAIRS**

**LOK SABHA**

**UNSTARRED QUESTION NO. 916**

**To be answered on 12th December, 2022/ Agrahayana 17, 1944**

**(Saka)**

**Agreement and/ or Treaty Between Foreign Countries and  
Government of Kerala**

**916. SHRI N. K. PREMACHANDRAN:**

**Will the Minister of FINANCE be pleased to state:**

- (a) Whether the Government of Kerala has sought permission from the Union Government for entering into agreement, treaty or MoU with Foreign countries during visit of Chief Minister in foreign tours during the last six years and if so, the details thereof;**
- (b) Whether the Government of Kerala is empowered to enter into any agreement, treaty or MoU with foreign countries without the approval of the Union Government and if so, the details thereof;**
- (c) Whether the Union Government has issued orders, NOC or concurrence for the State of Kerala to enter into treaty or MoU with foreign countries and if so, the details thereof;**
- (d) Whether any foreign companies are permitted to invest in Kerala without knowledge and approval of the Union Government and if so, the details thereof; and**

**(e) Whether the Government has received any application for investment in Kerala from foreign companies as a result of foreign tour of Chief Minister of Kerala and if so, the details thereof?**

**ANSWER**

**MINISTER OF STATE FOR FINANCE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHOWDHARY)**

**(a) Yes, The Ministry of External Affairs (MEA), conveyed NOC to the Government of Kerala from political/ international law angle to sign the following MoUs in the last six years:**

**i) MoU between Kerala Automobiles Ltd. and Swiss e-Bus manufacturing firm HESS.**

**ii) Twinning agreement between the Kozhikode Municipal Corporation, State of Kerala (India) and Municipality of Sines (Portugal).**

**iii) MoU between Additional Skill Acquisition Programme Kerala (ASAP Kerala), State of Kerala, Republic of India and University of Cambridge, United Kingdom.**

**iv) MoU between Government of Kerala and the Ministry of Health, Welfare and Sports of Netherlands on Technical Cooperation in the field of Sport Development.**

**v) MoU between State Archives Department, Government of Kerala and the National Archives of the Netherlands on the execution of the Shared Cultural Heritage on 17<sup>th</sup> October, 2019.**

**vi) Amendment to MoU between State Archives Department, Government of Kerala and the National Archives of the Netherlands on the Execution of the Shared Cultural Heritage on 28<sup>th</sup> February, 2022.**

**vii) An agreement was signed between Norka Roots, Department of NORKA, Government of Kerala and German Federal Employment Agency in December, 2021 in Thiruvananthapuram for recruitment of nurses from Kerala.**

**Further, Government of Kerala has informed that as a follow up of the Hon'ble Chief Minister's visit to the Kingdom of Netherlands during 2019, permission was sought by the State Government for a collaboration between Kerala State Archives and the National Archives of the Netherlands in the area of preservation and digitization of the Dutch records in Kerala. Permission was also sought from Government of India for Centre of Excellence of Floriculture at Ambalavayal, Wayanad.**

**(b) The Legal & Treaties Division of Ministry of External Affairs had earlier examined a similar issue in consultation with the Ministry of Law & Justice. The Ld. Solicitor General after examining the question opined that, "It is clarified that State Government cannot enter into an MoU with a foreign government or its entity or a foreign NGO without taking the approval of the Government of India".**

**(c) Same as part (a)'s reply**

**(d) Foreign Direct Investment (FDI) policy, as administered by Foreign Exchange Management Act, 1999, is an enabling policy which is uniformly applicable across the country. Government has put in place a liberal and transparent policy for FDI, wherein most of the sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route. Investments can be made by non-residents in the equity shares/fully, compulsorily and mandatorily convertible debentures/fully, compulsorily and mandatorily convertible preference shares of an Indian company, through the Automatic Route or the Government Route. Under the Automatic Route, the non-resident investor or the Indian company does not require any approval from Government of India for the investment. Under the Government Route, prior approval of the Government of India is required.**

**(e) No such information is available with the relevant departments in Government of India.**

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