

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

UNSTARRED QUESTION NO:7379
ANSWERED ON:12.05.2000
FDI AND NRI INVESTMENT IN INDUSTRY
CHANDRAKANT BHAURAO KHAIRE

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

- (a) the details of the industries provided financial and technical collaboration during the last five years with Foreign Direct Investment and NRI investment;
- (b) whether the Government have formulated any special scheme to encourage the NRI investments in the country in future and the sectors selected for this purpose in which the hundred percent NRI investments and FDI are allowed;
- (c) whether any financial assistance has been provided by such foreigners and NRIs in Aurangabad, Maharashtra to some of the old industries as well as for setting up of new industries; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) to (d): A Statement is enclosed.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 7379 FOR ANSWER ON 12.05.2000

- (a) A total number of 10,974 (Financial & Technical) foreign collaboration proposals which involve total investment of Rs. 1,82,292.84 crore foreign direct investment (FDI) and NRI investment have been approved during the last five years (1.1.1995 to 31.12.1999).
- (b) Government, on review of the policy on FDI, has decided to place all items/activities under the automatic route for Foreign/NRI/OCB investment, except the following:
 - i. All proposals that require an Industrial Licence which includes
 - (i) the items requiring Industrial Licence under the Industries (Development and Regulation) Act, 1951;
 - (ii) foreign investment being more than 24% in the equity capital of units manufacturing items reserved for small scale industries; and
 - (iii) all items which require an Industrial Licence in terms of the locational policy notified by Government under the new Industrial Policy of 1991.
 - ii. All proposals in which the foreign collaborator has previous venture/tie-up in India. The modalities prescribed in Press Note No. 18 dated 14.12.1998 of 1998 series, shall apply in such cases.
 - iii. All proposals relating to acquisition of shares in an existing Indian company in favour of a foreign/NRI/OCB investors.
 - iv. All proposals falling outside notified sectoral policy cap or under sectors in which FDI is not permitted and/or whenever any investor chooses to make an application to the FIPB and not to avail the automatic route.
- (c) & (d) A total number of 35 proposals for setting up industries/joint ventures in Aurangabad (Maharashtra) involving FDI of Rs. 667 crore have been approved during the last five years.