

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

STARRED QUESTION NO:365

ANSWERED ON:06.12.2010

FDI INFLOWS

Naik Shri Shripad Yesso;Patel Shri R.K. Singh

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

- (a) the details of the Foreign Direct Investment (FDI) proposals received/rejected during the last three years and the current year, State-wise;
- (b) whether a large part of FDI has come through Maharashtra and the National Capital Region of Delhi;
- (c) if so, the details thereof and the reasons therefor;
- (d) whether the Government has made any effort to attract FDI in the backward States during the above period and if so, the details thereof;and
- (e) the details of the norms and procedure for granting FDI and the steps taken by the Government to make the said procedure more investor friendly by introducing single window clearance system?

**Answer**

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ANAND SHARMA)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 365 FOR ANSWER ON 6TH DECEMBER,2010 REGARDING FDI INFLOWS

(a) to (c): Details of Foreign Direct Investment (FDI) proposals received/rejected during the last three years are as under:-

Calendar Year    Proposals Received    Proposals Rejected

2007    395    21

2008    424    25

2009    255    23

2010    217    32  
(up to October, 2010)

The Foreign Direct Investment equity inflows, as reported by the Reserve Bank of India (RBI), Regional Office-wise, during the last three years, are at Annex. The break-up is as per receipts by the regional offices of the RBI in the country and cannot be fully equated with State-wise inflows, as companies having headquarters in one State may have operations in one or more States.

(d) & (e): Under the liberalized economic environment, investment decisions of investors are based on the macro-economic policy framework, investment climate in the host country, investment policies of the transnational corporations and other commercial considerations.

The details of existing norms and procedures for clearance of Foreign Direct Investment (FDI) proposals are available in 'Circular 2 of 2010 - Consolidated FDI Policy', which is available in the public domain and can be accessed at the website of Department of Industrial Policy and Promotion (<http://dipp.nic.in>).

Government has put in place a liberal and transparent policy for Foreign Direct Investment (FDI), wherein most of the sectors are open

to FDI under the automatic route, with a limited list of sectors in which FDI is prohibited or permitted with restrictions. The policy on FDI is reviewed on an ongoing basis, with a view to make it more investor friendly.

Under the extant FDI policy, Foreign Direct Investment (FDI) can be brought into India either through the automatic route or the Government approval route. FDI in sectors/activities, to the extent permitted under the automatic route, does not require any prior approval by the Government. Proposals received from foreign investors, involving foreign investment, which require Government's approval, as per Government's extant FDI policy, are considered by the Foreign Investment Promotion Board (FIPB). FIPB is the single designated body for considering and making recommendations on foreign investment proposals requiring Government approval.