

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

UNSTARRED QUESTION NO:885

ANSWERED ON:19.03.2012

FDI

Das Shri Bhakta Charan;Harsha Kumar Shri G.V.;Siddeswara Shri Gowdar Mallikarjunappa;Singh Shri Ravneet;Yadav Shri M. Anjan Kumar

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

- (a) whether Foreign Direct Investment (FDI) inflow is less than the sanctioned FDI during the last three years;
- (b) if so, the details thereof, sector-wise and State-wise during the above period;
- (c) whether the rank of India in respect of FDI has been slipped during the last three years;
- (d) if so, the details thereof alongwith steps taken by the Government to make India a more attractive destination for FDI as compared to other countries;
- (e) the details of investment made by Non-Resident Indians (NRIs) during the last three years;
- (f) whether the Government has noticed any delay in starting the projects and violation of agreements with the State Governments;and
- (g) if so, the details thereof alongwith the reasons for delay and action taken by the Government?

Answer

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

(a)& (b): The statement of Foreign Direct Investment (equity) inflows, sector-wise and state-wise, as reported by the Reserve Bank of India (RBI), Regional Office wise, during the last three years, is at annexure.

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 and some RBI Regional Offices cover more than one State.

(c): According to the UNCTAD's World Investment Report, 2011, India's global ranking, in terms of FDI inflows, was thirteenth in 2008, eighth in 2009 and fourteenth in 2010.

(d): The Government has put in place an investor-friendly policy on FDI, under which FDI, up to 100%, is permitted on the automatic route, in most sectors/activities. Significant changes have been made in the FDI policy regime in recent times, to ensure that India remains increasingly attractive and investor-friendly. Foreign Direct Investment (FDI) policy is reviewed on an ongoing basis, with a view to making it more investor friendly.

(e): Separate data on NRI Investment is not maintained by RBI. However, the details of FDI equity inflows, including investment from Non Resident Indians, as reported by Reserve Bank of India (RBI), under the head NRI (as individual investor), during the last three financial years are as under:

Sl No	Year	(Apr-Mar)	FDI (Rs crore)	FDI (US\$ million)
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1	2008-09		7,314.18	1,603.82
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2	2009-10		1,691.96	354.75
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(f) & (g): Under the extant FDI policy, Foreign Direct Investment (FDI) can be brought into India either through the automatic route or the Government approval route. Most of the sectors/activities are open to FDI under the automatic route and there is only a limited list of sectors in which FDI is allowed with prior approval of the Government. FDI in sectors/activities, to the extent permitted under the automatic route, does not require any prior approval by the Government. The procedure for according approvals for Foreign Direct Investment does not involve agreements with State Governments.