

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

UNSTARRED QUESTION NO:1512

ANSWERED ON:03.12.2012

. CRITERIA FOR FOREIGN INVESTMENT

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

- (a) the details of criteria/norms to be followed for investment by the foreign companies in the country and the benefited are likely to be accrued to the domestic companies;
- (b) whether the Union Government has allowed Foreign Direct Investment (FDI) from South Asian countries particularly from Bangladesh;
- (c) if so, the details thereof along with the salient features of the same;
- (d) whether the Government has allowed FDI in print media and if so, the details thereof;
- (e) whether the Union Government has sought views of the States on FDI;
- (f) if so, the details thereof and response of the States in this regard; and (g) the details of companies involved in carrying out business of single brand/multi brand retail along with their investment involved in each case?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (Dr.S. JAGATHRAKSHAKAN)

(a): The details of the norms and procedure for Foreign Direct Investment (FDI) in India are contained in 'Circular 1 of 2012-Consolidated FDI Policy', released on 10th April, 2012, which is available in the public domain, on the website of the Department of Industrial Policy & Promotion. Further, FDI is subject to applicable laws/sectoral rules/regulations/security conditions. Foreign Direct Investment (FDI) complements and supplements domestic investment. Domestic companies are benefited through FDI, by way of enhanced access to supplementary capital and state-of-the-art technologies; exposure to global managerial practices and opportunities of integration into global markets.

(b) & (c): A non-resident entity can invest in India, subject to the FDI Policy. A citizen of Bangladesh or an entity incorporated in Bangladesh can invest only under the Government approval route. A citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the Government approval route, in sectors/activities other than defence, space and atomic energy and sectors/activities prohibited for foreign investment.

(d): As per extant FDI policy/ as contained in 'Circular 1 of 2012-consolidated FDI policy' referred to above, FDI is permitted in Print Media subject to specified conditions, as under:

SL.NO.	Sector/Activity	% of FDI Cap/Equity	Entry Route
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6.2.8 Print Media

6.2.8.1	Publishing of Newspaper and periodicals dealing with news and current affairs	26% (FDI and investment by NRIs/PIOs/FII)	Government
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6.2.8.2	Publication of Indian editions of foreign magazines dealing with news and current affairs	26% (FDI and investment by NRIs/PIOs/FII)	Government
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6.2.8.2.1 Other Conditions:

(i) `Magazine1, for the purpose of these guidelines, will be defined as a periodical publication, brought out on non-daily basis, containing public news or comments on public news,

(ii) Foreign investment would also be subject to the Guidelines for Publication of Indian editions of foreign magazines dealing with news and current affairs issued by the Ministry of Information & Broadcasting on 4.12.2008.

6.2.8.3 Publishing/printing of Scientific and Technical Magazines/specialty journals/periodicals, subject to compliance with the legal framework as applicable and guidelines issued in this regard from time to time by Ministry of Information and Broadcasting. 100% Government

6.2.8.4 Publication of facsimile edition of foreign newspapers 100% Government

6.2.8.4.1 Other Conditions:

(i) FDI should be made by the owner of the original foreign newspapers whose facsimile edition is proposed to be brought out in India,

(ii) Publication of facsimile edition of foreign newspapers can be undertaken only by an entity incorporated or registered in India under the provisions of the Companies Act, 1956.

(iii) Publication of facsimile edition of foreign newspaper would also be subject to the Guidelines for publication of newspapers and periodicals dealing with news and current affairs and publication of facsimile edition of foreign newspapers issued by Ministry of Information & Broadcasting on 31.3.2006, as amended from time to time.

(e) & (f): FDI policy is within the purview of the Government of India. However, concerned stakeholders are consulted and their views taken into account while formulating the FDI policy for relevant sectors.

(g): A statement on proposals approved by Foreign Investment Promotion Board (FiPB) for single brand retail trade since 2006, along with the proposed investment, is at Annexure. No proposal has been received for FDI in multi brand retail trading.