

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3602
ANSWERED ON:14.12.2012
MAKING ECONOMY INVESTMENT FRIENDLY
Suvendu Shri Adhikari

Will the Minister of FINANCE be pleased to state:

- (a) the details of the steps taken since 2008-09 to make Indian Economy investment friendly to foreign investors;
- (b) amount allotted to the Government of West Bengal in 10th Five Year Plan;
- (c) whether the utilisation certificate thereof has been received by the Union Government; and
- (d) if so, the details thereof and if not, the action taken by the Government in this regard?

Answer

Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a): Government has been making concerted efforts towards creating a conducive business environment and encouraging greater portfolio investments into India through several policy initiatives. FII investment limits in various categories of debt securities have been progressively enhanced. In the Budget 2011-12, Government of India, has also, permitted Qualified Foreign Investors (QFIs) to directly invest in Indian Mutual Funds (MFs).

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

The Government has also set up 'Invest India', a joint venture company between the Department of Industrial Policy & Promotion and Federation of Indian Chambers of Commerce and Industry (FICCI), as a not-for-profit, single window facilitator, for prospective overseas investors.

(b): Rs. 11,438.35 Crore was released to the West Bengal under Demand No. 35 pertaining to Central Assistance to the State Plans during 10 Five Year Plan.

(c) & (d): Review of releases and seeking utilization certificate is an on-going process in the Govt. No Utilization Certificates (UC) are required for normal Central Assistance. As regards UCs under other schemes, these are monitored by the concerned Ministries/Departments. The Govt. of India has restricted further release of grants-in-aid to those state govts. which have defaulted in furnishing utilization certificate without prior approval of ministry of finance.