

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

STARRED QUESTION NO:141

ANSWERED ON:16.12.2013

. FDI INFLOW

Karunakaran Shri P.;Rajaram Shri Wakchaure Bhausahab

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

- (a) the quantum of funds invested by the foreign companies including Non-Resident Indians (NRIs) during the last three years and the current year and the targets fixed for Foreign Direct Investment(FDI) inflow during the said period;
- (b) the number of foreign companies/ entrepreneurs allowed to set up industries in the country along with the number of foreign companies banned from making investment during the said period and the reasons therefor;
- (c) whether it has been recently reported by a global consultancy firm that India is the most favoured destination for foreign investment in the world and if so, the details thereof;
- (d) whether the Government proposes to review FDI norms to attract foreign investment and also to give special concession to investment by NRIs in various sectors under the FDI scheme; and
- (e) if so, the details thereof, along with review/study, if any, conducted by the Government to encourage investment by NRIs in the country and if so, the outcome thereof?

**Answer**

THE MINISTER 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 PARTS(a) to (e) OF LOK SABHA STARRED QUESTION NO 141 FOR ANSWER ON 16TH DECEMBER, 2013 REGARDING FDI INFLOW

(a): The total Foreign Direct Investment (FDI) including Non-resident Indian (NRI) investments during the last three years and the current year is US\$ 135,074 million. Government does not fix targets for FDI inflows as FDI is largely a matter of private business decisions.

(b): Data in this regard is not maintained centrally. Investment by foreign companies in the country is governed by the FDI policy as well as the sectoral laws, regulations and policies. As far as the FDI policy is concerned, FDI upto 100% is allowed on the automatic route in most sectors/activities, with restrictions only in a limited number of areas. FDI is prohibited in Lottery Business including Government/private lottery, online lotteries, etc.; Gambling and betting including casinos etc.; chit funds; Nidhi company; trading in Transferable Development Rights (TDRs); Real Estate Business or Construction of Farm Houses; Manufacturing of Cigars, cheroots, Cigarillos and cigarettes, of tobacco or of tobacco substitutes; activities/sectors not open to private sector investment e.g. Atomic Energy and Railway Transport (other than Mass Rapid Transport Systems).

(c): The 9th Global Capital Confidence Barometer, October 2013, a survey by Ernst & Young (E&Y) has reported that India is the top investment destination among emerging and developed markets.

(d) & (e): Government has put in place a liberal and transparent policy for Foreign Direct Investment(FDI), including investments from Non-resident Indians (NRIs), where most of the sectors are open to FDI under the automatic route. The extant policy allows special dispensation for NRI investments in the construction development sector covering townships, housing, built-up infrastructure and construction-development projects (which include, but are not restricted to housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure) exempting them from the performance linked conditionalities, otherwise applicable to FDI in the sector. It also allows a special dispensation for NRI investments in the sectors of Scheduled Air Transport Services, Domestic Scheduled Passenger Airlines, Non-Scheduled Air Transport Services, Non-Scheduled airlines, Chartered airlines, and Cargo airlines, wherein 100% NRI investment is permitted under the automatic route.

The government reviews the FDI policy from time to time with a view to making it more investor friendly including for NRIs. Significant changes have been made in the FDI policy regime in the recent times, to ensure that India remains increasingly attractive and investor-friendly. Government plays an active role in investment promotion, through dissemination of information on the investment climate and opportunities in India and by advising prospective investor about investment policies and procedures and opportunities. International cooperation for industrial partnerships is solicited both through bilateral and multilateral arrangements. Government coordinates with apex industry associations, in their activities relating to promotion of industrial cooperation to stimulate inflow of

foreign direct investment into India. The Government has also set up 'Invest India', a joint venture company between the Department of Industrial Policy & Promotion and FICCI, as a not-for-profit, single window facilitator, for prospective overseas investors and to act as a structured mechanism to attract investment focused on MSME Sector.

Government has established an organization, called Overseas Indian Facilitation Centre(OIFC) in 2007, to facilitate NRIs who desire to invest in India. OIFC has organized several Investment and Interactive Meets in different countries, as also during PravasiBharatiyaDivas(PBD) in India. Further, an electronic portal has also been launched to reply to the queries of potential overseas investors by OIFC and its knowledge partners, to promote and facilitate PBDs and regional PBDs also to provide a platform for facilitation of investment by overseas Indians.