

UNSTARRED QUESTION NO:910
ANSWERED ON:24.07.2015
Foreign Direct Investment
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- (a) the details of proposals for Foreign Direct Investment (FDI) received and approved/rejected by the Foreign Investment Promotion Board along with the actual FDI inflow in various sectors during each of the last three years and the current year, sector and country-wise including China;
- (b) the details of utilisation of FDI in various sectors including Railways and Defence during the said period, sector-wise;
- (c) the countries which are top foreign investors in India/along with the sectors benefited most through FDI in the country;
- (d) the details of FDI proposals lying pending with the Government for approval, the reasons for their pendency along the measures taken by the Government for their speedy clearance;
- (e) whether the FDI policy is being progressively liberalised in the recent past and if so, the details thereof indicating the sectors which have been opened for FDI during the said period along with percentage of equity allowed therein?
- (f) the benefits/success achieved thereby in increasing production, export and employment generation of the country; and
- (g) the further measures taken/proposed to be taken by the Government to enhance investment in the country?

THE MINISTER OF STATE (INDEPENDENT CHARGE)
OF THE MINISTRY OF COMMERCE & INDUSTRY
(SHRIMATI NIRMALA SITHARAMAN)

Year No. of fresh proposals received*

2012	218
2013	219
2014	150
2015	170

(*Does not include proposals for amendment)

(e): In the light of the importance of foreign direct investments for economic growth and development, the government announced key FDI reforms in the defence and railways sectors. The entire range of rail infrastructure was opened to 100% FDI under the automatic route, and in defence, sectoral cap was raised to 49%. To boost infrastructure creation and to bring pragmatism in the policy, the

Government reviewed the FDI policy in the construction development sector also by creating easy exit norms, rationalizing area restrictions and providing due emphasis to affordable housing.

To give impetus to the medical devices sector, a carve out was created in FDI policy on the pharmaceutical sector and now 100% FDI under automatic route is permitted. The Government, in order to expand insurance cover to its large population and to provide required capital to insurance companies, raised the FDI limit in the sector to 49%. Pension sector has also been opened to foreign direct investment up to the same limit. The FDI policy provisions pertaining to NRI investment have also been clarified by providing that for the purposes of FDI policy, investment by NRIs on non-repatriation basis under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment at par with the investment made by residents.

(f): These measures are expected to increase FDI, which complements and supplements domestic investment. Domestic companies are benefited through FDI, by way of enhanced access to supplementary capital and state-of-art-technologies; exposure to global managerial practices and opportunities of integration into global markets resulting into increased production, export and employment generation of the country. Further, as FDI is largely a matter of private business decisions, global investors normally take time to assess a new policy and its implications in the context of a particular market before making investment.

(g): Review of Foreign Direct Investment (FDI) policy is an ongoing process. Significant changes are made in the FDI policy regime from time to time to ensure that India remains increasingly attractive and investor-friendly.
