

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

UNSTARRED QUESTION NO:3217

ANSWERED ON:07.08.2015

Protection to Domestic/Traditional Industries

Bhabhor Shri Jasvantsinh Sumanbhai;Khaire Shri Chandrakant Bhaurao

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

(a) whether the Government has made any provisions to keep domestic and traditional industries immune from multinational and foreign companies;

(b) if so, the details thereof; and

(c) the manner in which the said provisions are likely to help the industries in this regard?

**Answer**

???????? ???? ????? ????????????? (????????????????)(????????????????????)

THE MINISTER OF STATE (INDEPENDENT CHARGE)

OF THE MINISTRY OF COMMERCE & INDUSTRY

(SHRIMATI NIRMALA SITHARAMAN)

(a) to (c): Activities of multinational and foreign companies are governed by the FDI policy contained in the Consolidated FDI policy circular 2015 and Foreign Exchange Management Act (FEMA), 1999, as amended from time to time. In order to safeguard domestic and traditional industries, certain sectors/ activities are not open to ownership and control by non-residents. Further, investment in a number of sectors/ activities can be made only after government approval. Still, FDI in a number of sectors/activities is subject to performance-linked conditions.

FDI policy of the Government though, on the one hand, has placed necessary safeguards to protect the domestic and traditional industries, on the other hand, has also kept most of the sectors under the automatic route to keep India as increasingly attracting destination for foreign investment. The measure is meant to help Indian entities to have access of foreign capital for their business growth.

The detailed information is available in 'Consolidated FDI Policy Circular of 2015' at this Department's website ([www.dipp.nic.in](http://www.dipp.nic.in)).

\*\*\*\*\*