

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 1835.
TO BE ANSWERED ON TUESDAY, THE 10TH FEBRUARY, 2026.**

FDI FOR TAMIL NADU

1835. SHRI SELVAM G:

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

वाणिज्य एवं उद्योग मंत्री

- (a) the details of the Foreign Direct Investment (FDI) received by the State of Tamil Nadu during the last three financial years;
- (b) whether the Government has taken steps to promote and attract FDI to the State of Tamil Nadu, particularly through investor-friendly policies, resulting in employment generation and creation of job opportunities, if so, the details thereof, including sector-wise reforms, automatic route provisions and policy measures implemented to encourage FDI inflows; and
- (c) the steps taken by the Government to review and update the FDI policy from time to time to ensure that India, including the State of Tamil Nadu?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

- (a): The total Foreign Direct Investment (FDI) inflow includes equity inflow, equity capital of unincorporated bodies, re-invested earnings and other capital. The State wise details are maintained for equity component of total FDI inflow. The details of FDI equity inflow that has been reported in the state of Tamil Nadu for the last three Financial Year are as under:

Sr. No.	Financial Year	FDI Equity Inflow (In USD Million)
(1)	(2)	(3)
1	2022-23	2,168.96
2	2023-24	2,436.33
3	2024-25	3,681.36

- (b) & (c): FDI policy is an enabling policy which is uniformly applicable in the country. Government has put in place a liberal and transparent policy for FDI, wherein most of the sectors are open to FDI under the automatic route. FDI Policy does not provide special dispensation to any particular State and is uniformly applicable across the country to benefit all the States including Tamil Nadu. Government has undertaken a number of reforms to promote FDI in the country, 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, as also exposure to global

managerial practices resulting into employment generation, greater innovation and accelerated growth of the sectors. The Government of India always strives to attract larger FDI by removing regulatory barriers, streamlining processes, developing infrastructure, bettering logistics and improving the business environment by enhancing the Ease of Doing Business (EoDB). To further strengthen a seamless business regulatory framework across the country and nudge states to promote healthy competition to attract investment, including FDI, various initiatives are being undertaken.

The Government reviews the FDI policies on an ongoing basis and makes significant changes from time to time, to ensure that India remains an attractive & investor-friendly destination. In the regulatory domain, the Government has undertaken transformative reforms across multiple sectors to liberalize FDI norms. Between 2014 and 2019, significant reforms included increased FDI caps in Defence, Insurance, and Pension sectors, and liberalized policies for Construction, Civil Aviation, and Single Brand Retail Trading. From 2019 to 2024, notable measures included allowing 100% FDI under the automatic route in coal mining, contract manufacturing, and insurance intermediaries. A brief of FDI reforms since 2019 are attached at **Annexure**.

ANNEXURE REFERRED TO IN REPLY TO PARTS (b) & (c) OF THE LOK SABHA UNSTARRED QUESTION NO. 1835 FOR ANSWER ON 10.02.2026.

FDI Policy Reforms since Year 2019

YEAR 2019

- i. 100% FDI under automatic route permitted for sale of coal and other coal mining activities including associated processing infrastructure like coal washery, crushing etc. Earlier, 100% FDI under automatic route was permitted in coal mining for captive consumption only.
- ii. In Manufacturing sector, 100% FDI under automatic route allowed in contract manufacturing on Principal to Principal or Principal to Agent basis.
- iii. Single Brand Retail Trading (SBRT)- All procurements made from India by SBRT entity shall be counted towards local sourcing, irrespective of whether goods procured are sold in India or exported.
- iv. In digital media, 26% FDI has been permitted under government route for uploading/streaming of News & Current Affairs. Earlier 49% in TV channels and 26% Print media already allowed.

YEAR 2020

- i. 100% FDI permitted in Insurance Intermediaries like insurance brokers, consultants, TPAs, Surveyors and Loss Assessors etc. 49% FDI allowed for insurance companies through automatic route.
- ii. FDI in Air Transport Service permitted up to 100% under automatic route by NRIs. For others the cap for automatic remains at 49% under automatic route and 100% via Government route.
- iii. Press Note-3 - Investment only through Government Route, if investor entity belongs to any land border sharing country, or if the beneficial owner of such investment resides there or is a citizen of such country. Further, if ownership of any existing or future FDI in an entity in India is transferred so that beneficial ownership falls within this restriction then such change will also require Government approval.
- iv. FDI in defence sector has been allowed up to 74% through automatic route (from earlier 49%) for companies seeking new industrial licenses. FDI beyond 74% and up to 100% permitted under Government route.

YEAR 2021

- i. FDI in Insurance Companies increased from 49% to 74% under the automatic route and foreign ownership and control allowed with safeguards.
- ii. Investment by NRI(s) on non- repatriation basis are deemed to be domestic investments at par with residents.
- iii. FDI up to 100% under automatic route permitted in PSUs of PNG sector, where Government has accorded an 'in-principle' approval for strategic disinvestment.
- iv. 100% FDI in Telecom Sector allowed under Automatic Route.

YEAR 2022

20% FDI allowed in Life Insurance Corporation (LIC) under automatic route.

YEAR 2024

Space sector has been liberalized for foreign direct investment in prescribed sub-sectors/activities.