

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 2541.
TO BE ANSWERED ON MONDAY, THE 14TH MARCH, 2016.**

'MAKE IN INDIA' PROGRAMME

2541. SHRI ARJUN MEGHWAL:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government has expanded policy and action plan under the 'Make in India' Programme;
- (b) if so, the details thereof;
- (c) whether the Government is stressing upon foreign investment in order to promote Make in India Programme; and
- (d) if so, the total amount of investment received along with the names of the countries from which the same has been received so far?

ANSWER

वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)

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

- (a) to (c):** The Government launched the 'Make in India' initiative in September, 2014, with the aim to promote India as an important investment destination and a global hub for manufacturing design and innovation. The initiative is aimed at creating a conducive environment for investment, development of modern and efficient infrastructure, opening up new sectors for foreign investments and forging a partnership between government and industry through a positive mindset.

A National Workshop was held on 'Make in India' initiative on 29th December 2014 to prepare Action Plans for one year and three years for the 22 identified sectors, viz., (i) Automobiles & Auto Components, (ii) Aviation, (iii) Aerospace & Defence, (iv) Basic Metals & Cement, (v) Biotechnology, (vi) Chemicals and Petrochemicals, (vii) Food Processing, (viii) Gems & Jewellery, (ix) ICTE Manufacturing, (x) Leather and Leather Products, (xi) Media & Entertainment, (xii) MSME, (xiii) Oil & Gas, (xiv) Pharmaceuticals, (xv) Power, (xvi) Ports and Shipping, (xvii) Railways, (xviii) Renewable Energy, (xix) Roads & Highways, (xx) Skill Development, (xxi) Textiles & Apparel and (xxii) Tourism. Ministries/Departments concerned have updated their action plans to identify quantifiable and measurable milestones in respect of each activity of their Action Plan. Cabinet Secretariat is monitoring the progress on Make in India Action Plans with the help of a professional agency.

Government has undertaken a number of steps to improve Ease of Doing Business in India. Ministries and State Governments have been advised to simplify and rationalize the regulatory environment through business process reengineering and use of

information technology. Other important measures taken by the government to boost the business regulatory environment and to improve Ease of Doing Business in the country include integration of 20 services on e-biz portal to function as single window portal for obtaining Government clearances, integration of the process of incorporation of the company and application for Director's Identification Number (DIN), removal of requirements of minimum paid-up capital and common seal of companies, simplification of the procedure for Industrial License (IL) and Industrial Entrepreneur's Memorandum (IEM), excluding a number of parts/ components from the purview of Industrial Licensing and issue of security manual for license defence industry to obviate the requirement of affidavit from applicant. As per the World Bank Report on Ease of Doing Business, 2016, rank of India improved from 142nd position to 130th position.

Since August, 2014, the Government has brought in FDI related reforms and liberalisation in a number of sectors/ areas of the economy. Gist of main reforms on FDI policy is at **Annexure-I**.

(d): A statement on country-wise FDI equity inflows from October 2014 to December 2015 is at **Annexure-II**.

ANNEXURE REFERRED TO IN REPLY TO PARTS (a) to (c) OF THE LOK SABHA UNSTARRED QUESTION NO 2541 FOR 14.03.2016 REGARDING 'MAKE IN INDIA' PROGRAMME'.

FDI policy reforms since August, 2014

1. 100% FDI under the automatic route has been allowed in the specified rail infrastructure projects.
2. Investment made by NRIs, PIOs and OCIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations on non-repatriation basis is now deemed to be domestic investment at par with the investment made by residents.
3. The special dispensation of NRIs has also been extended to companies, trusts and partnership firms, which are incorporated outside India and are owned and controlled by NRIs.
4. 100% FDI under automatic route for manufacturing of medical devices has been permitted.
5. FDI Policy on Insurance sector reviewed to increase the sectoral cap of foreign investment from 26% to 49% with foreign investment up to 26% to be under automatic route. Similar changes have also been brought in the FDI Policy on Pension Sector.
6. In order to provide simplicity to the FDI policy and bring clarity on application of conditionalities and approval requirements across various sectors, different kinds of foreign investments have been made fungible under one composite cap.
7. FDI up to 100% through automatic route has been allowed in White Label ATM Operations.
8. Reforms in FDI Policy on Constructions Development sector include:
 - a) Removal of conditions of area restriction of floor area of 20,000 sq. mtrs in construction development projects and minimum capitalization of US \$ 5 million to be brought in within the period of six months of the commencement of business.
 - b) Exit and repatriation of foreign investment is now permitted after a lock-in-period of three years. Transfer of stake from one non-resident to another non-resident, without repatriation of investment is also neither to be subjected to any lock-in period nor to any government approval.
 - c) Exit is permitted at any time if project or trunk infrastructure is completed before the lock-in period.
 - d) 100% FDI under automatic route is permitted in completed projects for operation and management of townships, malls/ shopping complexes and business centres.
9. Foreign investment up to 49% in defence sector has been permitted under automatic route along with specified conditions. Further portfolio investment and investment by FVCIs has been allowed up to permitted automatic route level of 49%. The foreign investment in excess of 49% has been allowed on case to case basis with Government approval in case of access to modern and 'state-of-art' technology related manufacturing.

10. FDI policy on Broadcasting sector has also been amended as under:

Sector/Activity	New Cap and Route
6.2.7.1.1 (1) Teleports (setting up of up-linking HUBs/Teleports); (2) Direct to Home (DTH) ; (3) Cable Networks (Multi System operators (MSOs) operating at National or State or District level and undertaking upgradation of networks towards digitalization and addressability); (4) Mobile TV ; (5) Headend-in-the Sky Broadcasting Service(HITS)	100% (Up to 49% - Automatic route Beyond 49% - under Government route)
6.2.7.1.2 Cable Networks (Other MSOs not undertaking upgradation of networks towards digitalization and addressability and Local Cable Operators (LCOs))	
6.2.7.2 Broadcasting Content Services	
6.2.7.2.1 Terrestrial Broadcasting FM (FM Radio),	49% Government route
6.2.7.2.2 Up-linking of ‘News & Current Affairs’ TV Channels	
6.2.7.2.3 Up-linking of Non-‘News & Current Affairs’ TV Channels	100% Automatic route
Down-linking of TV Channels	

11. Government has decided to introduce full fungibility of foreign investment in Banking-Private sector. Accordingly, FIIs/FPIs/QFIs, following due procedure, can now invest up to sectoral limit of 74%, provided that there is no change of control and management of the investee company.
12. Government has opened certain plantation activities namely; coffee, rubber, cardamom, palm oil tree and olive oil tree plantations for 100% foreign investment under automatic route.
13. It has been decided that a manufacturer will be permitted to sell its product through wholesale and/or retail, including through e-commerce under automatic route.
14. Government has reviewed single brand retail trading (SBRT) FDI policy to provide that sourcing of 30% of the value of goods purchased would be reckoned from the opening of first store. In case of ‘state-of-art’ and ‘cutting-edge technology’ sourcing norms can be relaxed subject to Government approval. Further, an entity operating SBRT through brick and mortar stores has been permitted to undertake e-commerce activities as well.
15. Indian brands are equally eligible for FDI to undertake SBRT. In this regard, it has been decided that certain conditions of the FDI policy on the sector namely; products to be sold under the same brand internationally and investment by non-resident entity/ entities as the brand owner or under legally tenable agreement with the brand owner, will not be made applicable in case of FDI in Indian brands.
16. 100% FDI is now permitted under automatic route in Duty Free Shops located and operated in the Customs bonded areas.

17. FDI policy on wholesale cash & carry activities has been reviewed to provide that a single entity will be permitted to undertake both the activities of SBRT and wholesale.
18. 100% FDI is now permitted under the automatic route in Limited Liability Partnerships (LLP) operating in sectors/activities where 100% FDI is allowed, through the automatic route and there are no FDI-linked performance conditions. Further, the terms 'ownership and 'control' with reference to LLPs have also been defined.
19. Regional Air Transport Service (RSOP) has been opened for foreign investment up to 49% under automatic route. Further, foreign equity cap of activities of Non-Scheduled Air Transport Service, Ground Handling Services have been increased from 74% to 100% under the automatic route.
20. Foreign investment cap on Satellites- establishment and operation has now been raised from 74% to 100% under the government route.
21. Foreign investment cap on Credit Information Companies has now been increased from 74% to 100% under the automatic route.
22. Government has decided that for infusion of foreign investment into an Indian company which does not have any operations and also does not have any downstream investments, Government approval would not be required, for undertaking activities which are under automatic route and without FDI-linked performance conditions.
23. FDI policy on establishment and ownership or control of the Indian company in sectors/activities with caps requiring Government approval has been reviewed to provide that approval of the Government will be required if the company concerned is operating in sectors/activities which are under Government approval route rather than capped sectors. Further no approval of the Government is required for investment in automatic route sectors by way of swap of shares.
24. Certain conditions of FDI policy on Agriculture and Animal Husbandry, and Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities have been simplified.
25. In order to achieve faster approvals on most of the proposals, the Government has decided to raise threshold limit for approval by FIPB to Rs. 5000 crore.
26. Further, Finance Minister in its Budget Speech on 29.2.2016 has announced that 100% FDI will be allowed through FIPB route in marketing of food products produced and manufactured in India. This will benefit farmers, give impetus to food processing industry and create vast employment opportunities.

ANNEXURE-II

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE LOK SABHA UNSTARRED QUESTION NO 2541 FOR 14.03.2016 REGARDING 'MAKE IN INDIA' PROGRAMME'.

**STATEMENT ON FINANCIAL YEAR WISE FDI EQUITY INFLOWS
FROM OCTOBER 2014 TO DECEMBER 2015**

Sl No	Country	2014-15	2015-16	Total
		Oct-Mar	Apr-Dec	
		FDI in US\$ million	FDI in US\$ million	FDI in US\$ million
1	Australia	40.07	133.77	173.85
2	Austria	8.73	6.98	15.71
3	Bahamas	0.25	0.42	0.67
4	Baharain	13.64	3.99	17.63
5	Argentina	0.00	0.00	0.00
6	Belgium	17.21	61.89	79.10
7	Belarus	0.01	0.01	0.03
8	Brazil	0.56	1.06	1.62
9	Bangladesh	0.00	0.02	0.02
10	Bulgaria	0.99	0.05	1.04
11	Canada	22.56	73.15	95.70
12	Caymen Islands	52.57	185.54	238.12
13	Channel Islands	0.13	1.71	1.83
14	China	449.14	425.75	874.89
15	Czech Republic	0.41	2.65	3.06
16	Cyprus	209.21	400.05	609.26
17	Denmark	16.99	10.75	27.74
18	Estonia	0.18	0.30	0.47
19	Finland	30.33	39.19	69.52
20	Chile	0.00	0.00	0.00
21	France	257.39	367.47	624.87
22	Greece	2.47	0.13	2.59
23	Germany	743.14	790.26	1,533.40
24	HongKong	272.67	313.02	585.69
25	Hungary	0.18	0.42	0.60
26	Indonesia	1.51	1.31	2.82
27	Ireland	12.37	12.13	24.49
28	Isle of Man	0.02	0.00	0.02
29	Israel	8.87	10.00	18.87
30	Italy	119.86	192.35	312.21
31	Liechtenstein	0.04	4.89	4.94
32	Japan	1,145.72	1,082.00	2,227.72
33	Korea(North)	0.18	0.03	0.21
34	Lebanon	0.44	0.09	0.52
35	South Korea	68.17	209.50	277.68
36	Kuwait	1.17	2.15	3.32
37	Luxembourg	143.34	701.07	844.41
38	Malaysia	12.12	53.16	65.27
39	Mauritius	4,809.68	6,104.76	10,914.44
40	Mexico	2.80	18.98	21.78
41	Maldives	0.00	0.01	0.01
42	Nepal	0.00	0.21	0.21
43	Netherlands	1,457.46	2,146.86	3,604.32

44	NewZealand	2.74	7.81	10.55
45	Nigeria	0.19	0.14	0.33
46	Norway	12.26	6.43	18.70
47	Oman	7.15	47.63	54.78
48	Panama	2.04	1.17	3.21
49	Philippines	19.96	7.46	27.42
50	Poland	3.90	0.09	3.99
51	Portugal	0.69	4.11	4.81
52	Qatar	0.19	0.63	0.82
53	Romania	0.75	0.45	1.20
54	Russia	118.41	18.49	136.90
55	Saudi Arabia	6.87	6.07	12.93
56	Singapore	4,308.76	10,984.57	15,293.34
57	Scotland	8.90	0.00	8.90
58	South Africa	62.17	1.93	64.10
59	Slovakia	0.07	5.45	5.51
60	Spain	115.64	117.10	232.75
61	Sri Lanka	1.37	4.48	5.85
62	Sweden	23.03	91.91	114.95
63	Slovenia	0.00	0.23	0.23
64	Switzerland	193.27	156.77	350.03
65	Taiwan	3.20	74.22	77.42
66	Thailand	23.73	10.76	34.49
67	Turkey	4.08	37.58	41.66
68	UAE	224.25	401.80	626.04
69	United Kingdom	489.74	503.17	992.91
70	U.S.A	627.16	3,511.39	4,138.55
71	Ukraine	2.51	0.64	3.14
72	Venezuela	0.00	0.00	0.00
73	Uruguay	0.73	0.00	0.73
74	British Virginia	19.55	52.99	72.53
75	West Indies	0.00	0.12	0.12
76	Malta	0.60	0.00	0.60
77	Muscat	0.01	0.00	0.01
78	Tanzania	0.03	0.36	0.38
79	Georgia	0.00	0.09	0.09
80	Gibraltar	0.04	0.00	0.04
81	Jordan	0.32	0.25	0.57
82	Vietnam	0.00	0.14	0.14
83	Kenya	0.03	0.01	0.04
84	Egypt	0.33	0.56	0.88
85	Yemen	0.00	0.01	0.01
86	Monaco	0.00	0.00	0.00
87	Costa Rica	0.00	0.01	0.01
88	St. Vincent	1.30	2.59	3.89
89	Myanmar	0.00	0.00	0.00
90	Guersney	0.05	2.98	3.03
91	Zambia	0.00	0.01	0.01
92	Morocco	0.26	0.39	0.65
93	Colombia	1.00	1.25	2.24
94	British Isles	0.00	0.06	0.06
95	Virgin Islands(US)	0.78	0.00	0.78
96	Peru	0.00	0.01	0.01
97	Uganda	0.00	0.88	0.88
98	Seychelles	5.12	2.59	7.70
99	Ghana	1.48	0.00	1.48
100	Togolese Republic	0.03	0.07	0.10
101	Iraq	0.00	0.00	0.00
102	Belize	0.00	0.04	0.05

103	Barbados	0.00	0.00	0.00
104	Bermuda	14.11	3.45	17.57
105	Botswana	0.00	1.82	1.82
106	Anguilla	0.00	0.00	0.00
107	St. Lucia	0.00	0.09	0.09
108	Trinidad & Tobago	0.00	0.11	0.11
109	SENEGAL	0.00	0.00	0.00
110	MOZAMBIQUE	0.00	0.00	0.00
111	SAMOA ISLANDS	7.44	10.10	17.54
112	TAJKISTAN	0.29	0.45	0.74
113	Lithuania	0.00	0.33	0.34
114	Ivory Coast	0.00	0.00	0.00
115	Algeria	0.00	0.00	0.00
116	Swaziland	0.00	0.00	0.00
117	Brunei Darussalam	0.00	0.09	0.09
118	Fiji Island	0.00	0.04	0.04
119	TURKMENISTAN	0.00	0.00	0.00
	Grand Total	16,239.13	29,442.45	45,681.57
