

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

LOK SABHA

**UNSTARRED QUESTION NO. 1376.
TO BE ANSWERED ON MONDAY, THE 2ND MAY, 2016.**

CHANGES IN FOREIGN INVESTMENT RULES

1376. DR. BHOLA SINGH:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Prime Minister during his recent visit to Germany has told German businessmen and industrialists not to go by old perceptions but to come to India and feel the change in the regulatory environment;
- (b) if so, the details thereof indicating the rules concerning foreign investment likely to be revised/modified;
- (c) whether such revision/modification of foreign investment rules is likely to be applicable for all foreign investors; and
- (d) if so, the details thereof?

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): During his last visit to Germany in April 2015, Hon. Prime Minister apprised the German companies that the regulatory regime in India is much more transparent, responsive and stable. Lots of efforts have been made and are still underway to improve the Ease of Doing business in the Country. Steps have been taken to open up more FDI in key areas like insurance, construction, defence, railways and medical devices. Procedures are being simplified and digital technology is being used to eliminate multiple approvals. A predictable, stable and competitive tax regime is being built.
- (b): FDI policy is reviewed on an ongoing basis, with a view to making it more investor-friendly. Significant changes are made in the FDI policy regime, from time to time, to ensure that India remains an increasingly attractive investment destination.
- (c) & (d): As per the extant FDI policy, any non-resident entity can invest in India, subject to the FDI Policy except in those sectors/ activities which are prohibited. However, a citizen of Bangladesh or an entity incorporated in Bangladesh can invest only under the Government route. Further, a citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the Government route, in sectors/ activities other than defence, space and atomic energy and sectors/ activities prohibited for foreign investment.
