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

LOK SABHA

UNSTARRED QUESTION NO. 296.
TO BE ANSWERED ON TUESDAY, THE 21ST JULY, 2026.

ENFORCEMENT OF FDI NORMS

296. SHRI B K PARTHASARATHI:
SHRI DAGGUMALLA PRASADA RAO:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:
वाणिज्य एवं उद्योग मंत्री

(a) the measures taken by the Government to monitor and enforce compliance with local sourcing requirements prescribed under the Foreign Direct Investment (FDI) Policy for Single Brand Retail Trade (SBRT) and Multi Brand Retail Trading (MBRT);

(b) the details and the number of FDI-supported retail entities that have undertaken procurement from local businesses during the last five years, year and State-wise;

(c) the details regarding the monetary value of procurement undertaken from local businesses by such FDI-supported entities, State and year-wise;

(d) whether the Government maintains data regarding the number of local businesses benefitted through such sourcing requirements, if so, the details thereof, State-wise;

(e) whether the Government has evaluated the effectiveness of these sourcing norms in strengthening domestic value chains, generating employment and increasing participation of local enterprises, if so, the details along with the findings thereof; and

(f) the steps taken or proposed to be taken by the Government to further strengthen market access and procurement opportunities for local businesses within the FDI framework?

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): As per the FDI Policy, 100% FDI is allowed under the automatic route in Single Brand Retail Trading (SBRT) while 51% FDI is allowed under the Government route in Multi Brand Retail Trading (MBRT), subject to the stipulated conditions. In order to safeguard and promote local business interests, the FDI Policy on

SBRT mandates that in case of foreign investment beyond 51%, 30% of the value of goods purchased should be sourced from India, preferably from MSMEs, village and cottage industries, artisans and craftsmen, in all sectors. Similarly, the FDI Policy on MBRT mandates that at least 30% of the value of procurement of manufactured/processed products purchased shall be sourced from Indian MSMEs, which have a total investment in plant & machinery not exceeding US $ 2.00 million. The sourcing from agricultural co-operatives and farmers co-operatives would also be considered in this category.

As per the FDI Policy, the quantum of domestic sourcing will be self-certified by the company, to be subsequently checked by statutory auditors from the duly certified accounts, which the company is required to maintain. Furthermore, the onus of compliance with the provisions of the FDI Policy is on the investee company.

The reporting requirements in respect of investments in India under the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 are prescribed by the Reserve Bank of India (RBI) under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019. Further, FDI is a capital account transaction and any violation of FDI regulations is covered by the penal provisions of the Foreign Exchange Management Act (FEMA). The RBI administers the FEMA, and the Directorate of Enforcement under the Ministry of Finance is the authority for the enforcement of FEMA. The Directorate takes up an investigation into any contravention of FEMA.

(b) to (e): Data on FDI-supported entities, as sought, is not available centrally. However, state-wise FDI equity inflow reported in Retail Trading, including SBRT and MBRT sectors, during April 2021 to March 2026 is given at the Annexure.

(f): The FDI Policy in Retail Trading, including Single Brand and Multi Brand, is aimed at attracting investments in production and marketing, improving the availability of such goods for the consumer, encouraging increased sourcing of goods from India, and enhancing the competitiveness of Indian enterprises through access to global designs, technologies and management practices. In addition to the local sourcing norms, for entities undertaking MBRT, at least 50% of total FDI brought in the first tranche of US $ 100 million is mandated to be invested in 'back-end infrastructure' within three years, where ‘back-end infrastructure’ includes distribution, design improvement, quality control, packaging, logistics, storage, warehouse, agriculture market produce infrastructure etc. Subsequent investment in back-end infrastructure would be made by the MBRT retailer as needed, depending upon its business requirements. Additionally, the Government reviews FDI policy on an ongoing basis and makes changes from time to time in consultations with the concerned stakeholders.

****

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PARTS (b) to (e) OF THE LOK SABHA UNSTARRED QUESTION NO. 296 FOR ANSWER ON 21.07.2026.

FDI EQUITY INFLOW FROM April 2021 TO March 2026 Sector: RETAIL TRADING Sub Sector: Single Brand

(Amount in USD Million)

Sr. No.	State Name	2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative FDI
1	Delhi	298.46	246.68	36.43	114.55	91.77	787.89
2	Maharashtra	151.79	207.61	91.82	52.15	38.43	541.79
3	Karnataka	34.50	38.04	23.32	23.81	34.75	154.41
4	Haryana	1.03	2.43	4.93	9.68	5.55	23.64
5	Tamil Nadu	1.33	2.18	0.60	0.69	1.85	6.66
6	Gujarat	1.34	0.03	0.30	0.28	2.42	4.37
7	West Bengal	0.47	2.55	0.12	0.008	-	3.15
8	Uttar Pradesh	0.56	0.62	0.12	0.13	1.08	2.51
9	Madhya Pradesh	-	-	0.03	0.12	2.26	2.41
10	Telangana	0.0008	0.002	0.04	0.03	0.75	0.83
11	Andhra Pradesh	0.14	-	0.01	-	0.36	0.51
12	Rajasthan	-	-	0.29	0.008	-	0.30
13	Kerala	0.03	0.05	0.06	0.01	0.0006	0.16
14	Chhattisgarh	-	-	-	-	0.02	0.02
15	Goa	-	-	0.0006	0.01	0.002	0.01
16	Punjab	-	-	-	-	0.01	0.01
17	Puducherry	-	-	-	-	0.001	0.001
	Total	**489.66**	**500.19**	**158.08**	**201.49**	**179.25**	**1,528.66**

FDI EQUITY INFLOW FROM April 2021 TO March 2026 Sector: RETAIL TRADING Sub Sector: Multi-brand Retail

(Amount in USD Million)

Sr. No.	State Name	2021-22	2022-23	2023-24	2024-25	2025-26	Cumulative FDI
1	MAHARASHTRA	7.47	6.52	7.43	3.26	9.70	34.38
	Total:	7.47	6.52	7.43	3.26	9.70	34.38

*Total FDI inflow includes equity inflow, equity capital of unincorporated bodies, re-invested earnings, and other capital. Sector/State/Country-wise details are maintained only for the equity component of FDI inflow.

****