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40/IL/2009 dt. 7.10.09	Karimnagar, A.P	M/s Singareni Collieries Co. Ltd.	Site Mixed Industrial explosives including slurries, emulsion and heavy anfo
41/IL/2009 dt. 7.10.09	Karimnagar, A.P	M/s Singareni Collieries Co. Ltd.	Site Mixed Industrial explosives including slurries, emulsion and Heavy anfo
50/IL/2009 dt. 16.11.09	Ranga Reddy, (A.P)	M/s HBL Power System Ltd.	Anti Tank influence Mines and parts there on

Augmenting FDI inflow

†1382. SHRI KAPTAN SINGH SOLANKI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of Foreign Direct Investment since 2004;
- (b) whether the inflow of Foreign Direct Investment (FDI) has declined;
- (c) if so, the details thereof and concrete steps decided to be taken by Government to augment the flow of Foreign Direct Investment;
- (d) whether changes in guidelines regarding FDI are also reasons behind low investment apart from recession; and
- (e) if so, the details of steps taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) The details of Foreign Direct Investment equity inflows during April, 2004 to September, 2009, financial year-wise, are as under:

(Amount in million)			
Sl. No.	Year (Apr-Mar)	FDI (in Rs.)	FDI (in US\$)
1	2004-05	146,527.25	3,218.69
2	2005-06	245,843.72	5,539.72
3	2006-07	563,902.20	12,491.77
4	2007-08	986,420.89	24,575.43
5	2008-09	1,230,248.80	27,330.82
6	2009-10 (April to September)	741,827.83	15,272.04
GRAND TOTAL		3,914,770.69	88,428.46

† Original notice of the question was received in Hindi.

(b) No, Sir. The FDI inflows have shown an increasing trend on year to year basis since the financial year 2004-05 until the financial year 2008-09. However, the FDI inflows during April to September in the Financial Year 2008-09 were Rs. 731,105.60 million (US\$ 17,211.17 million), as against Rs. 741,827.83 million (US\$ 15,272.04 million) for the corresponding period in the current Financial Year (2009-10).

(c) The Government of India regularly undertakes investment promotion activities through organisation of Destination India and Invest India events in various countries with FDI potential to create awareness about the investment climate and opportunities in India, as well as to provide support to potential investors. The Government of India also continues to make efforts to increase economic cooperation with the developing as well as developed countries through different fora such as Joint Commissions/Joint Committees, other bilateral channels like interaction with the delegations visiting the country and organizing visits abroad for discussions on issues of mutual interest and business/ investment meets between Indian and foreign entrepreneurs to stimulate foreign investment into India. The Department of Industrial Policy and Promotion also participates in discussions covering industrial cooperation organized by other Ministries and Departments of Government of India. The Government of India, in partnership with various State Government and Business Associations, is making concerted efforts to make regulations conducive for business.

(d) and (e) No, Sir. Under the liberalized economic environment, investment, decisions of investors are based on the macro-economic policy framework, the investment climate in the host country, investment policies of trans-national corporations and other commercial considerations.

In February, 2009, the Government notified Press Note 2 (2009 Series) containing guidelines for calculation of total foreign investment *i.e.* direct and indirect foreign investment in Indian companies and Press Note 4 (2009 Series) on the policy for downstream investment by Investing Indian Companies. The benefits expected from adoption of these guidelines are:

(i) The guidelines would ensure application of simple, homogenous and uniform norms for calculation of direct and indirect foreign investment across sectors excepting those where it is governed specifically under any statutes or rules there under.

(ii) The guidelines clarify that only Investing companies, as well as companies which are neither investing nor operating companies, require prior Government/FIPB approval for infusion of foreign investment. Operating companies, as well as operating-cum-investing companies, only need to comply with relevant sectoral conditions on entry route, conditionalities and sectoral caps. This clarification would result in clarity on the need for Government/FIPB approval for Indian companies that are making downstream investments.

These guidelines are expected to facilitate greater foreign capital inflows and send a positive signal in the present economic scenario.