

Foreign investment in India

†1208. SHRI NARESH AGRAWAL: Will the Minister of FINANCE be pleased to state:

- (a) whether it is a fact that foreign investment has not been as per expectations;
- (b) if so, the reasons therefor; and
- (c) if not, the amount of foreign investment in various sectors in last one year, details thereof?

THE MINISTER OF FINANCE (SHRI ARUN JAITLEY): (a) to (c) Foreign Direct Investment (FDI) during 2013-14 was US\$ 36,046 million and US\$ 44,291 million during 2014-15, an increase of 23%. FDI during 2015-16 (till December, 2015) is US\$ 40,823 million.

The details of FDI inflows is available on the website of Department of Industrial Policy and Promotion (www.dipp.gov.in -> publications -> FDI Statistics). However, foreign investment in top 10 Sectors attracting highest FDI equity inflows during the last two years is given as below:

(Amt. in US\$ million)			
Ranks	Sector	2014-15	2015-16 (Upto Dec., 15)
1	2	3	4
1.	Services Sector*	4,443	4,258
2.	Construction Development Townships, Housing, Built-Up Infrastructure	769	105
3.	Computer Software and Hardware	2,296	5,306
4.	Telecommunications (Radio Paging, Cellular Mobile, Basic Telephone Services)	2,895	1,072
5.	Automobile Industry	2,726	1,781
6.	Drugs and Pharmaceuticals	1,498	352
7.	Chemicals (Other than Fertilizers)	763"	1,197
8.	Trading	2,728	2,717

†Original notice of the question was received in Hindi.

1	2	3	4
9.	Power	707	650
10.	Hotel and Tourism	777	945
11.	Others	24,689	22,440
TOTAL		44,291	40,823

* Service sectors include Financial, Banking, Insurance, and Non-Financial/Business, Outsourcing, R&D, Courier, Tech, Testing and Analysis.

Note: FDI Sectoral data has been revalidated/ reconciled in line with the RBI, which reflects minor changes in the FDI figures (increase/decrease) as compared to the earlier published sectoral data.

Resolution of cases through MAP

1209. SHRIMATI AMBIKA SONI:

DR. T. SUBBARAMI REDDY:

Will the Minister of FINANCE be pleased to state:

(a) the details of number of cases resolved by Central Board of Direct Taxes through Mutual Agreement Procedure (MAP) and the amount involved, in the last two years and the current year;

(b) how long would this help to encourage foreign investment in the country;

(c) whether notice has been sent to a popular mobile service provider demanding crores of rupees as tax arrears, if so, the details thereof; and

(d) the number of tax disputes under litigation in various courts in the last three years, including current year, year-wise, with details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA): (a) The Central Board of Direct Taxes has been resolving cases under Mutual Agreement Procedure (MAP) with several countries. For the Financial Year 2013-14, 10 cases were resolved and the amount involved in those cases was 417.82 crores. For the Financial Year 2014-15, 14 cases were resolved and the amount involved in those cases was 487.66 crores. For the Financial Year 2015-16, 175 cases have been resolved till date and the amount involved in those cases is 5278.91 crores.

(b) Minimum disputes and certainty in the tax regime are important for creating a good investment climate. The Government has been taking a number of steps to resolve and minimize tax disputes. Resolution of disputes through Mutual Agreement Procedure (MAP) is one such critical step. Resolution of tax disputes under MAP has helped in creating a conducive environment for the foreign investors to invest in India.