

# Foreign Direct Investment (FDI) in India

In last two decades ( Since 1991), investment climate in India has considerable improved. This is largely attributed to ease in FDI norms across most the sectors of economy. India today is part of top-100 club on ease of doing business and globally ranks first in greenfield FDI ranking. India received the record FDI of US \$ 60.1 billion in 2016-17.

Category 1

100% FDI permitted through **Automatic route**

Category 2

100% FDI permitted through **Government route**

Category 3

Upto 100% FDI permitted through **Government + Automatic route**

Category 4

Upto 51% FDI permitted through **Government/ Automatic route**

For detailed definition, clarifications/ exceptions, please refer to [Consolidated FDI Policy, effective from August 28, 2017](#), [amendment to FDI policy in Jan 2018](#)

\* [http://unctad.org/en/PublicationChapters/wir2017ch2\\_en.pdf](http://unctad.org/en/PublicationChapters/wir2017ch2_en.pdf)

# Foreign Direct Investment (FDI) in India

## Category 1 : 100% FDI permitted through Automatic route\*



**Agriculture & Animal Husbandry**



**Plantation** (Tea, Coffee, Rubber, Cardamom, Palm oil tree, Olive oil tree)



**Mining & Exploration of metals & non-metals ores** excluding titanium bearing minerals and its ores



**Coal & Lignite mining** for captive consumption in respect of eligible activities



**Single Brand Retail Trading, Duty Free Shops**



**Airports\*\* & Railway Infrastructure**



**Transport services\*\*\***



**Construction Development projects\*\*\*\***



**Cash & Carry Wholesale Trading**



**Civil Aviation – Greenfield & Brownfield**



**Exploration of Petroleum & Natural Gas** (including marketing of petroleum products & natural gas)



**Broadcasting Carriage Services**



**Market Place E-commerce Activities**



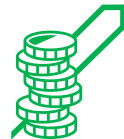
**Asset Reconstruction & Credit Information Companies**



**Other Services at Airport \*\*\*\*\***



**Up-link of non-'News & Current Affairs' TV Channels, Down linking of TV channel**



**Other Financial Services** (registered/ regulated entity)



**Pharmaceuticals – Greenfield Sector and Medical device manufacturing**



**White Label ATM Operations**



**Industrial Park**

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\*\* Greenfield and existing projects,

\*\*\* Air Transport Services- Non Scheduled Air Transport Service / Helicopters services/ seaplane services requiring DGCA approval

\*\*\*\*Construction Development: development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships, Real estate Broking business

\*\*\*\*\*Other services include ground Handling Services subject to sectoral regulations and security clearance & Maintenance and Repair organizations; flying training institutes; and technical training institutions

# Foreign Direct Investment (FDI) in India

## Category 2 : 100% FDI permitted through Government Route



Mining and minerals separation of titanium bearing minerals & ores its value addition & integrated activities



Retail Trading including through e-commerce in respect of food products manufactured and/ or produced in India



Publishing/ printing of scientific and technical magazines/specialty journals/ periodicals



Publication of facsimile edition of foreign newspapers



**Government Route**

(Approval from various Administrative Ministries/ Government Department)\*









Satellites-establishment and operations

Foreign investment in core investment companies (CIC) and other investing companies, engaged in the activity of investing in the capital of other company/ies/LLP, is permitted under Govt. approval route. CICs will additionally have to follow RBI regulatory framework

\*For detailed definition, clarifications/ exceptions, please refer to [Consolidated FDI Policy, effective from August 28, 2017](#), [amendment to FDI policy in Jan 2018](#)

# Foreign Direct Investment (FDI) in India

## Category 3 : Upto 100% FDI permitted through Government + Automatic route

	<b>Telecom Services*</b>	Upto	<b>49%</b>	Automatic route	Above	<b>49%</b>	Government route
	<b>Defence industry</b>	Upto	<b>49%</b>	Automatic route	Above	<b>49%</b>	Government route
	<b>Pharmaceutical - Brownfield</b>	Upto	<b>74%</b>	Automatic route	Above	<b>74%</b>	Government route
	<b>Air Transport Services **</b>	Upto	<b>49%</b>	Automatic route	Above	<b>49%</b>	Government route
	<b>Banking – Private Sector</b>	Upto	<b>49%</b>	Automatic route	Above	<b>49%</b> Upto 74%	Government route
	<b>Private Security Agencies***</b>	Upto	<b>49%</b>	Automatic route	Above	<b>49%</b> Upto 74%	Government route

For detailed definition, clarifications/ exceptions, please refer to [Consolidated FDI Policy, effective from August 28, 2017](#), [amendment to FDI policy in Jan 2018](#)

\* All telecom services including Telecom Infrastructure Providers Category-I, viz. Basic, Cellular, Unified Access Services, Unified License (Access Services), Unified License, National/International Long Distance, Commercial V-Sat, Public Mobile Radio Trunked Services (PMRTS), Global Mobile Personal Communications Services (GMPCS), All types of ISP licenses, Voice Mail/Audiotex/UMS, Resale of IPLC, Mobile Number Portability Services, Infrastructure Provider Category-I (providing dark fibre, right of way, duct space, tower) except Other Service Providers.

\*\* Air Transport Services- Scheduled Air Transport Service/ Domestic Scheduled Passenger Airline; Regional Air Transport Service- 49% automatic. Could go up to 100% via Govt. approval

\*\*\* FDI in Private Security Agencies is subject to compliance with Private Security Agencies (Regulation) (PSAR) Act, 2005, as amended from time to time

# Foreign Direct Investment (FDI) in India

## Category 4 : Upto 51% FDI permitted through Government/ Automatic route

Automatic route



Insurance

**49%**



Petroleum Refining by PSUs\*

**49%**



Infrastructure Companies  
in Securities Markets

**49%**



Power Exchanges

**49%**



Pension Sector

**49%**

Government route



Up-linking of 'News &  
Current Affairs' TV Channels

**49%**



Terrestrial Broadcasting  
FM (FM Radio)

**49%**



Multi-Brand Retail Trading  
\*\*

**51%**



Banking Public Sector

**20%**



Print Media-Publishing  
of Newspapers & Periodicals Publication  
of Indian editions of foreign magazines  
dealing with news and current affairs\*\*\*

**26%**

For detailed definition, clarifications/ exceptions, please refer to [Consolidated FDI Policy, effective from August 28, 2017](#), [amendment to FDI policy in Jan 2018](#)

\* Petroleum refining by the PSU without any disinvestment or dilution of domestic equity in existing PSUs – 49%, Automatic

\*\* In specified states

\*\*\*Print Media- Publishing of newspaper and periodicals; Indian editions of foreign magazines dealing with news and current affairs

49% in Air India- Govt. route (amended vide PN1 of 2018)