

**Department of Industrial Policy and  
Promotion**

**Ministry of Commerce and Industry**

**Government of India**

**CONSOLIDATED FDI POLICY**

**(EFFECTIVE FROM APRIL 1, 2011)**

**Government of India  
Ministry of Commerce & Industry  
Department of Industrial Policy & Promotion  
(FC Section)**

**CIRCULAR 1 OF 2011**

**SUBJECT: CONSOLIDATED FDI POLICY.**

The "Consolidated FDI Policy" is attached.

2. This circular will take effect from April 1, 2011.

(V.Bhaskar)  
Joint Secretary to the Government of India

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D/o IPP F. No. 5(1)/2011-FC Dated 31.03.2011

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1. Press Information Officer, Press Information Bureau- for giving wide publicity to the above circular.
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3. Department of Economic Affairs, Ministry of Finance, New Delhi
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Sl.No.	Sector/Activity	% of FDI Cap/Equity	Entry Route
	<p>(iii) "Association" means any body of individuals, whether incorporated or not, constituted for the purposes of regulating and controlling the business of the sale or purchase of any goods and commodity derivative.</p> <p>(iv) "Forward contract" means a contract for the delivery of goods and which is not a ready delivery contract.</p> <p>(v) "Commodity derivative" means-</p> <ul style="list-style-type: none"> <li>• a contract for delivery of goods, which is not a ready delivery contract; or</li> <li>• a contract for differences which derives its value from prices or indices of prices of such underlying goods or activities, services, rights, interests and events, as may be notified in consultation with the Forward Markets Commission by the Central Government, but does not include securities.</li> </ul>		
5.2.12.2	<b>Policy for FDI in Commodity Exchange</b>	49% (FDI & FII) [Investment by Registered FII under Portfolio Investment Scheme (PIS) will be limited to 23% and Investment under FDI Scheme limited to 26% ]	Government
5.2.12.3	<b>Other conditions:</b>		
	<p>(i) FII purchases shall be restricted to secondary market only and</p> <p>(ii) No non-resident investor/ entity, including persons acting in concert, will hold more than 5% of the equity in these companies.</p>		
5.2.13	<b>Development of Townships, Housing, Built-up infrastructure and Construction-development projects</b>		
5.2.13.1	Townships, housing, built-up infrastructure and construction-development projects (which would	100%	Automatic

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	include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure)		
5.2.13.2	<p>Investment to be made will be subject to the following conditions:</p> <p>(1) Minimum area to be developed under each project would be as under:</p> <p>(i) In case of development of serviced housing plots, a minimum land area of 10 hectares</p> <p>(ii) In case of construction-development projects, a minimum built-up area of 50,000 sq.mts</p> <p>(iii) In case of a combination project, any one of the above two conditions would suffice</p> <p>(2) Minimum capitalization of US\$10 million for wholly owned subsidiaries and US\$ 5 million for joint ventures with Indian partners. The funds would have to be brought in within six months of commencement of business of the Company.</p> <p>(3) Original investment cannot be repatriated before a period of three years from completion of minimum capitalization. Original investment means the entire amount brought in as FDI. The lock-in period of three years will be applied from the date of receipt of each installment/tranche of FDI or from the date of completion of minimum capitalization, whichever is later. However, the investor may be permitted to exit earlier with prior approval of the Government through the FIPB.</p> <p>(4) At least 50% of the project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor/investee company would not be permitted to sell undeveloped plots. For the purpose of these guidelines, “undeveloped plots” will mean where roads, water supply, street lighting, drainage, sewerage, and other conveniences, as applicable</p>		

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	<p>under prescribed regulations, have not been made available. It will be necessary that the investor provides this infrastructure and obtains the completion certificate from the concerned local body/service agency before he would be allowed to dispose of serviced housing plots.</p> <p>(5) The project shall conform to the norms and standards, including land use requirements and provision of community amenities and common facilities, as laid down in the applicable building control regulations, bye-laws, rules, and other regulations of the State Government/Municipal/Local Body concerned.</p> <p>(6) The investor/investee company shall be responsible for obtaining all necessary approvals, including those of the building/layout plans, developing internal and peripheral areas and other infrastructure facilities, payment of development, external development and other charges and complying with all other requirements as prescribed under applicable rules/bye-laws/regulations of the State Government/ Municipal/Local Body concerned.</p> <p>(7) The State Government/ Municipal/ Local Body concerned, which approves the building / development plans, would monitor compliance of the above conditions by the developer.</p> <p>Note:</p> <p>(i) The conditions at (1) to (4) above would not apply to Hotels &amp; Tourism, Hospitals and SEZ's.</p> <p>(ii) For investment by NRIs, the conditions at (1) to (4) above would not apply.</p> <p>(iii) 100% FDI is allowed under the automatic route in development of Special Economic Zones (SEZ) without the conditionalities at (1) to (4) above. This</p>		

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	<p>will be subject to the provisions of Special Economic Zones Act 2005 and the SEZ Policy of the Department of Commerce.</p> <p>(iv) FDI is not allowed in Real Estate Business.</p>		
5.2.14	<b>Credit Information Companies (CIC)</b>		
5.2.14.1	Credit Information Companies	49% (FDI & FII)	Government
5.2.14.2	<b>Other Conditions:</b>		
	<p>(1) Foreign investment in Credit Information Companies is subject to the Credit Information Companies (Regulation) Act, 2005.</p> <p>(2) Foreign investment is permitted under the Government route, subject to regulatory clearance from RBI.</p> <p>(3) Investment by a registered FII under the Portfolio Investment Scheme would be permitted up to 24% only in the CICs listed at the Stock Exchanges, within the overall limit of 49% for foreign investment.</p> <p>(4) Such FII investment would be permitted subject to the conditions that:</p> <p>(a) No single entity should directly or indirectly hold more than 10% equity.</p> <p>(b) Any acquisition in excess of 1% will have to be reported to RBI as a mandatory requirement; and</p> <p>(c) FIIs investing in CICs shall not seek a representation on the Board of Directors based upon their shareholding.</p>		
5.2.15	<b>Industrial Parks - both setting up and already established Industrial Parks</b>	<b>100%</b>	<b>Automatic</b>
5.2.15.1	<p>(i) "Industrial Park" is a project in which quality infrastructure in the form of plots of developed land or built up space or a combination with common facilities, is developed and made available to all the allottee units for the purposes of industrial activity.</p> <p>(ii) "Infrastructure" refers to facilities required for functioning of units</p>		