CHAPTER - 1

FOREIGN DIRECT INVESTMENT (FDI) IN INDIA

1. FOREIGN DIRECT INVESTMENT (FDI) POLICY:

In recent years, India has been an attractive destination for FDI. India has undertaken a series of reforms aimed at liberalizing its Foreign Direct Investment (FDI) policies with the goal of stimulating economic growth and encouraging foreign capital inflows. To promote Foreign Direct Investment (FDI), the Government has put in place an investor friendly policy, with most sectors open to 100% FDI under the automatic route except for a few strategically important sectors. About 90% of FDI inflows are received under the automatic route. The National Single Window System (NSWS) has also been introduced as an online single point interface of the Government of India for investors to set up any industry in India and obtain the requisite permissions. Further, to ensure that India remains an attractive and investor friendly destination, the Government reviews the FDI policy on a continuous basis and makes changes from time to time after holding extensive consultations with stakeholders including apex industry chambers, associations, representatives of industries/groups and other organizations, considering their views/comments.