

Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
(Secretariat for Industrial Assistance)

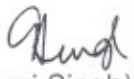
Press Release

Government has rationalized the FDI policy vide Press Note 4 (2006 series) dated 10.2.2006. It has now been brought to the notice of the Government that the policy on FDI in Agriculture and Real estate requires further clarification.

2. It is hereby clarified that the extant policy with regard to Agriculture & Plantation sector is as under:

- a) FDI up to 100% is permitted under the automatic route in the under-mentioned activities viz., floriculture, horticulture, development of seeds; animal husbandry; pisci-culture; aquaculture; cultivation of vegetables; mushrooms under controlled conditions and services related to agro and allied sectors.
- b) FDI up to 100% with prior Government approval is permitted in Tea plantation subject to the conditions of divestment of 26% equity of the company in favour of an Indian partner/ Indian public within a period of five years; and prior approval of the State Government concerned in case of any future land use change.
- c) Besides the above two, FDI is not allowed in any other agricultural sector/activity.

3. It is further clarified that that apart from the permitted activities indicated at Sl.No.11 of Section IV of the Annex to Press Note 4 (2006), FDI is not permitted in any other activity in the Real estate sector.


(Gauri Singh) 12/7/06
Director

F.No. 5(3)2005-FC

New Delhi dated the 12th July 2006

Forwarded to the Press Information Bureau to give wide publicity to the contents of the above Press Release.