

**GOVERNMENT OF INDIA  
URBAN DEVELOPMENT  
LOK SABHA**

STARRED QUESTION NO:102

ANSWERED ON:13.07.2004

FOREIGN INVESTMENT IN URBAN INFRASTRUCTURE AND REAL ESTATE DEVELOPMENT

Gadhavi Shri Pushpdan Shambhudan

**Will the Minister of URBAN DEVELOPMENT be pleased to state:**

- (a) whether the Union Government proposes to open up the Urban infrastructure and real estate development to foreign investors;
- (b) if so, the details thereof ;
- (c) whether some foreign investors have shown interest in these sectors; and
- (d) if so, the total investment to be made by the foreign investors in urban development?

**Answer**

MINISTER OF PARLIAMENTARY AFFAIRS AND URBAN DEVELOPMENT ( SHRI GHULAM NABI AZAD )

(a) to (d): A Statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO. 102 FOR 13.7.2004 REGARDING FOREIGN INVESTMENT IN URBAN INFRASTRUCTURE AND REAL ESTATE DEVELOPMENT.

(a) to (d): Foreign Direct Investment (FDI) in real estate and housing is not permissible. It is, however, permissible in urban infrastructure like water supply and sanitation, roads and mass rapid transport systems in all metropolitan cities, including associated commercial development of real estate, on the automatic route.

Foreign Direct Investment in development of integrated townships is also permitted with prior approval of the Government.

As per available information, Central Government has so far approved FDI in development of integrated townships at Gurgaon, Hyderabad (Two Projects), Mohali, Bangalore and Chennai. The total estimated cost of all projects, excepting at Chennai, is Rs. 5184.00 crores. The estimated cost of Chennai integrated township project is not available. The FDI in these projects is as follows:-

- (i) Gurgaon        US \$ 15 million
- (ii) Hyderabad (2 projects)    US \$ 10 million (US \$ 5 million in each case)
- (iii) Mohali        Rs. 500 crores
- (iv) Bangalore     US \$ 5 million
- (v) Chennai        US \$ 5.86 million