October 29, 2026

DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE

FDI approval in India: the government route, step by step

FDI approval in India starts with a free online application on the National Single Window System (NSWS), paperless under DPIIT's procedure of May 4, 2026. DPIIT sends it to the ministry in charge, which decides, and to the Reserve Bank of India and the Ministry of External Affairs. The general limit is 12 weeks, excluding your time.

GOVERNMENT ROUTE approval is needed before you invest in a government-route sector, or above a sector's automatic limit (FDI Policy 3.4.1). It's also needed when a foreign investor takes ownership or control of an Indian company in such a sector, and for any investment by an entity or citizen of a land-border country.

KEY FACTS

FDI POLICY

Consolidated FDI Policy Circular of 2020

LAND-BORDER RULE

Press Note No. 2 (2026 Series)

PROCUREMENT

Public Procurement (Preference to Make in India), Order 2017

UPDATED

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When do you need government approval?

Government route approval is needed before you invest in a government-route sector, or above a sector's automatic limit (FDI Policy 3.4.1). It's also needed when a foreign investor takes ownership or control of an Indian company in such a sector, and for any investment by an entity or citizen of a land-border country.

- **Above the automatic limit.** For example, defense above 74% and private sector banks above 49% (DPIIT's government-route list, rows 3 and 14).
- **Control passing abroad.** In a government-route sector, when ownership or control moves from resident Indian citizens to a non-resident (FDI Policy 5.2(c)).
- **Land-border investors.** An entity or citizen of a country sharing a land border with India needs approval in every sector, and so does an investor whose beneficial ownership is vested in such a country. So does a later transfer that moves beneficial ownership there (Press Note 2 (2026) of March 15, 2026, para 3.1.1, in force from May 2, 2026 under S.O. 2174(E)).

See our FDI policy guide for every sector's cap, and our Press Note 3 guide for the land-border test, both under our DPIIT guide.

How do you apply for FDI approval?

You file the FDI application on NSWS with the documents in DPIIT's Standard Operating Procedure (SOP) of May 4, 2026. Registering and filing are free, with no physical copies. DPIIT assigns the proposal to the ministry in charge and circulates it for comments, and the ministry decides on the portal.

1. Register on NSWS.

With a name, mobile number and email; it's free (FIF Portal FAQ 14; NSWS FAQs).

2. Upload the application and its documents.

Digitally signed, with the Annexure II security form where it applies. There's no fee and no physical copy (SOP paras I.2, I.3 and Annexure I; FIF Portal FAQ 13).

3. Wait for DPIIT to route it.

It goes to the ministry in charge, the Reserve Bank of India, the Ministry of External Affairs and, for security clearance, the Ministry of Home Affairs (paras II.1 and II.2).

4. Answer requests for information on the portal.

The ministry asks only through the portal (para II.5), and NSWS alerts you by email and SMS (FIF Portal FAQ 10).

5. Acknowledge an approval within 7 days.

Confirm that you accept the letter's terms within 7 days of receiving it (Annexure III, para 13).

What DPIIT's older FAQs still say

The portal FAQ still asks for a physical copy (FAQ 22) and points to Part IV for time limits (FAQ 9). The SOP of May 4, 2026 drops physical copies (para I.3) and sets the limits in Annexure V.

What documents does the application need?

The SOP's Annexure I lists 15 groups of documents, each uploaded digitally signed. They include a summary of the proposal, the shareholding before and after, the group structure and the beneficial owners. The applicant also gives an undertaking on sanctions lists and a notarized affidavit on ₹100 stamp paper.

- **Beneficial owners.** Every upstream shareholder, director, fund partner and key manager from a land-border country, up to the ultimate owner, with their board appointment and veto rights (item 5(a)).
- **Undertaking and affidavit.** That no party is on a sanctions, debarment or caution list (item 12); a notarized affidavit on ₹100 stamp paper (item 15).

- **A company not yet formed.** Its incorporation papers within 60 days of the approval letter (item 6).

The full list is in Annexure I of the SOP. Foreign-language documents need an apostilled or consularized English translation (its note).

Who decides, and who else reviews it?

The ministry in charge of the sector, the SOP's competent authority, decides. DPIIT, the nodal department for FDI policy, assigns each case and must agree before a ministry rejects it or adds conditions beyond the policy. Proposals with total foreign equity inflow above ₹5,000 crore go to the Cabinet Committee on Economic Affairs.

Who does what under the SOP

Body	Its part	Source
DPIIT	Assigns and circulates the proposal; its agreement is needed for a rejection or extra conditions	SOP II.1, II.2, II.10; FDI FAQ Q2
The ministry in charge	Scrutinizes, asks for information, decides; its Secretary decides a closure	SOP II.5, II.7, II.9
Reserve Bank of India	Comments under the Foreign Exchange Management Act (FEMA)	SOP II.2
Ministry of External Affairs	Every proposal; comments or clearance on land-border cases	SOP II.2
Ministry of Home Affairs	Security clearance, where needed	SOP II.2, II.3
Cabinet Committee on Economic Affairs	Total foreign equity inflow above ₹5,000 crore	FDI Policy 4.1.5; SOP II.8

A body that doesn't comment in time is taken to have none (SOP para II.4).

Which proposals need security clearance?

Security clearance for FDI comes from the Ministry of Home Affairs. The SOP requires it for seven sectors, from broadcasting and telecom to defense and civil aviation, and for every land-border approval case under Press Note 2 (2026). Land-border investments that are only reported to DPIIT need no clearance.

- **Seven sectors.** Broadcasting, telecom, space, private security agencies, defense, civil aviation, and mining and separation of titanium-bearing minerals (SOP para II.3(i); Rajya Sabha answer 3877, March 27, 2026).
- **Land-border approval cases.** Every one (para II.3(ii)).
- **Reported cases.** Land-border stakes of 10% or less in an investor company, without control, are reported, not approved, and need no clearance (DPIIT's land-border FAQ, Q7 and Q9).

The Annexure II form covers both companies' directors, shareholders above 10% and ultimate owners, and any criminal cases against the investee or its directors. Without it, an application isn't complete (FIF Portal FAQ 27).

How long does FDI approval take in India?

DPIIT's SOP of May 4, 2026 sets 12 weeks in all for a government-route decision: 2 days to circulate, scrutiny by week 2, comments by week 8 and the decision by week 12. Your time answering requests doesn't count. These are the government's own limits, not a promise of any outcome.

DPIIT's time limits (SOP, Annexure V and Annexure VII, para 7)

Stage	Time allowed	Running total
DPIIT circulates the proposal	2 days	2 days
First scrutiny and requests for information	12 days	2 weeks
DPIIT's clarification on a policy point	2 weeks	4 weeks

Comments from the bodies consulted	6 weeks	8 weeks
The ministry's decision	4 weeks	12 weeks
DPIIT's review of a proposed rejection or extra conditions	2 more weeks	14 weeks, on our arithmetic
A land-border stake of up to 49% in a Schedule II manufacturing area, under Indian majority ownership and control	60 days from filing	Prevails over the limits above (Part IV(ii))

The limits "shall exclude time taken by applicants in removing deficiencies in the proposals or in supplying additional information" (Annexure V, note (ii)).

What happens if information is missing?

The ministry gives you one week to send what's missing, then a reminder with seven more days, then a final reminder with seven more. Then it may close the application; the ministry's Secretary decides that. Closure isn't rejection: you may apply again with all the documents (SOP para II.9).

1. First check: a week under para II.9, or 12 days under Annexure V.
2. One week for you to answer.
3. A reminder: seven more days.
4. A final reminder, if there's no adequate reason: seven more days.
5. Closure, decided by the ministry's Secretary.

A later application includes copies of past closures, rejections and withdrawals (Annexure I, item 9(a)).

What are your duties after approval?

The Indian investee company must stay within the sectoral caps and their conditions. If it's formed after approval, its incorporation papers are due within 60 days of the letter. A breach falls under FEMA, which the Reserve Bank of India administers and the Directorate of Enforcement enforces.

- **Conditions.** The onus is on the investee (SOP, Annexure III, condition (viii)); the ministry monitors compliance (para 11).
- **Penalty.** Up to three times the sum involved, or ₹2 lakh if it can't be counted. A continuing breach adds up to ₹5,000 for each day after the first (FDI Policy, Annexure 5, paras 3 and 3.1(i)).
- **Compounding.** A breach can be settled for a sum under section 15 of FEMA (SOP para II.15).

For reporting and enforcement, see our FDI policy guide.

How IndusDesk helps with FDI approvals

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Frequently asked questions

Can we withdraw an FDI application?

Yes, until the decision: use Withdraw on your NSWS dashboard and upload an authorized letter with your reasons, addressed to the ministry and copied to DPIIT (SOP para II.11; FIF Portal FAQ 26). Any later application must disclose it (Annexure I, item 9(a)).

What if we already have an approval and the deal changes?

File it as an amendment, choosing "Amendment" in the NSWS form. A fresh application is closed, and you're asked to file an amendment (FIF Portal FAQ 19).

Do we need fresh approval to bring more money into an approved company?

Not if the approved foreign percentage stays the same and total foreign equity stays within ₹5,000 crore (SOP, Annexure III, condition (ix)). Tell the ministry within 30 days of receiving the funds and allotting the shares.

Sources

- DPIIT, Standard Operating Procedure (SOP) for Processing FDI Proposals, No. 1/8/2016-F.C. I, May 4, 2026: Parts I to IV and Annexures I, II, III, V and VII
- DPIIT, FIF Portal FAQs (undated; they predate the SOP): FAQs 9, 10, 13, 14, 19, 22, 26 and 27
- Consolidated FDI Policy Circular of 2020 (effective October 15, 2020): paras 3.4.1, 4.1.5 and 5.2(c), and Annexure 5, paras 3 and 3.1(i)
- DPIIT, FDI Policy: Sectors where Government Approval is required (undated list, on DPIIT's site since July 4, 2025): rows 3 and 14
- Press Note No. 2 (2026 Series), March 15, 2026: Review of FDI Policy on Investments from Countries Sharing Land Border with India, para 3.1.1
- S.O. 2174(E), the Foreign Exchange Management (Non-debt Instruments) (Amendment) Rules, 2026, dated May 1, 2026, in force from its Gazette publication on May 2, 2026 (PDF, 723 KB)

- DPIIT, FAQs on Guidelines for Investments from Countries Sharing Land Border with India, updated October 23, 2026: Q7 and Q9
- DPIIT, FAQs related to FDI Policy Section (undated): Q2
- Rajya Sabha Unstarred Question No. 3877, answered March 27, 2026
- National Single Window System, FAQs (read October 29, 2026)

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