

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:5900

ANSWERED ON:03.05.2002

INVESTMENT BY NRIS

CHANDRA NATH SINGH;SADASHIVRAO DADOBA MANDLIK;SUKDEO PASWAN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the investment by NRI has come down to its lowest level during 2001-2002 in the last ten years;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the facilities being provided/proposed to be provided by the Government to the NRIs to boost investment in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

(a) & (b) : The total inflow of NRI investment during 2001-2002 (upto February, 2002) was Rs. 263.34 crore as against the total NRI investment of Rs. 8906.17 crore during 1991 to February, 2002. The pattern of NRI investment is guided by a host of variables including the investors` perception of market conditions, alternative avenues of investment, preferred instrument of investment, international interest rates, etc. While Government accords speedy approval for such investments, the time taken for inflow is usually longer because of several factors such as acquisition of land, obtaining of various statutory clearances, arranging funds, etc.

(c) : The general policy and facility for Foreign Direct Investment as available to foreign investors/companies are fully applicable to non-residents Indians (NRIs) as well. In addition, Government have extended concessions specially for NRIs and Overseas Corporate Bodies (OCBs) having more than 60% stake by NRIs. These, among others, include (i) NRI/OCB investment permitted in the real estate and housing sectors and domestic airlines sector upto 100% (ii) NRIs/OCBs was permitted to invest upto 40% in the banking sector, and (iii) individual NRIs can invest beyond 24% in Small Scale Industries in the first instance provided they do not have a stake in any other industrial undertakings.