

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2290
ANSWERED ON:23.07.2004
CAPITAL INVESTMENT BY NRIs
Jogi Shri Ajit

Will the Minister of FINANCE be pleased to state:

- (a) whether the pace of capital investment by the Non-Resident Indians is very slow;
- (b) if so, the reasons therefor; and
- (c) if not, the foreign investment made by NRIs during the last three years, year-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (S.S. Palanimanickam)

(a) to (c) : Government has put in place a liberal FDI policy and most of the sectors have been placed under the automatic route, except for a small negative list. In addition, NRIs/PIOs are permitted 100% investment on non-repatriation basis in companies, firms and proprietary concerns, excluding prohibited activities viz., agricultural/plantation activities/real estate business/construction of farm houses/development rights and nidhi companies and chit funds. However, the quantum of investment has fluctuated as detailed below during the last three years:

(US \$ in million)

Year	Amount of NRI Investment approved (Jan.-Dec.)	Amount of inflow of NRI Investment
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2001	135.10	55.66
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2002	75.09	5.57
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2003	101.17	45.34
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2004#	190.15	0.11
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(Jan - April, 2004)