

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2980

ANSWERED ON:12.08.2005

FDI BY NRIS.

Renge Patil Shri Tukaram Ganpatrao;Singh Deo Smt. Sangeeta Kumari

Will the Minister of FINANCE be pleased to state:

- (a) whether a lot of time is being taken by the Indian Government officials on the investment proposals of Non-Resident Indians due to which number of NRIs are not interested to make investments in India;
- (b) if so, the reasons therefor and reaction of the Government in this regard;
- (c) the time taken normally on one investment proposal;
- (d) whether the Government propose to approve or disapprove any investment proposal in fix time period;
- (e) if so, the details thereof; and
- (f) if not, the reasons therefor?

Answer

Minister of State in the Ministry of Finance (S.S. Palanimanickam)

(a) to (f): Government has put in place a liberal and transparent policy for Foreign Direct Investment (FDI), including investment by Non-Resident Indians (NRIs), wherein most of the sectors are open to FDI under the automatic route, except for a small negative list. Sectors/ activities which are not covered under the automatic approval, require clearance of the Government through the Foreign Investment Promotion Board (FIPB). The approval procedure for considering investment proposals by NRIs under the FDI scheme is the same as that for foreign direct investment. The FDI policy is reviewed on an on-going basis. Foreign investment proposals received in the Foreign Investment Promotion Board (FIPB) if complete in all respect, are generally placed before the Board within 15 days of its receipt. Decision of the Government in all cases is communicated in time bound manner.