

**Foreign Capital Investment**

\*303. Shri S. S. Kothari:  
Shri D. N. Patodia:  
Shri Solanki:

Will the Minister of Finance be pleased to state:

(a) the quantum of inflow of foreign investment capital into the country during the past five years;

(b) whether it shows a declining trend;

(c) if so, the reasons therefor; and

(d) the steps being taken to stimulate such inflow?

The Deputy Prime Minister and Minister of Finance (Shri Morarji Desai): (a) The inflow of foreign Business Investments in the Private Sector since 1st January, 1961 is indicated below. Information subsequent to 31st March, 1965 is not yet available.

	(Rs. Crores)			
	As at the end of			
	1961	1962	1962-6	1963
1. Fresh inflow	44.9	51.3	94.1	95.2
2. Retained earnings	15.8	7.8	7.4	21.1
Gross inflow (1+2)	60.7	59.1	101.5	116.3

Note 1. There has been a change in the statistical period from calendar year to financial year.

2. This information is compiled by the Reserve Bank after conducting a survey by issuing a questionnaire. There is always a time lag involved in such compilation and, as such, information for the years 1965-66 onwards is not yet available.

(b) No, Sir.

(c) Does not arise.

(d) Government has been taking various steps from time to time to encourage inflow of foreign investment, such as free repatriability of profits subject to payment of income

tax and of capital invested in approved projects, non-discrimination against foreign investors in regard to the application of Indian laws relating to industrial and import licensing, taxation etc. Government had also announced some measures to encourage foreign investment in private sector fertiliser projects.

**Gold Seizures by Customs and Excise Departments**

\*304. Shri S. K. Sambandhan: Will the Minister of Finance be pleased to state:

(a) whether it is a fact that the smuggling of gold is on the increase and

(b) if so, the steps taken to tighten smuggling of gold?

The Minister of State in the Ministry of Finance (Shri K. C. Pant): It is not possible to make a precise estimate of the quantity of gold smuggled into India. There is also no material before the Government to indicate that smuggling of gold is on the increase.

(b) Does not strictly arise. However, a statement showing the important steps taken to check smuggling is placed on the table of the Sabha.

**Statement**

Among the important steps taken to check smuggling are systematic collection and follow-up of information, rummaging of suspected vessels and aircraft, patrolling of vulnerable sections of the coastline and land frontiers and launching of prosecution in suitable cases in addition to departmental adjudication. In the field of legislation the Customs Act now provides for imposition of heavier sentences of imprisonment by courts of law. In the case of seizures of gold, diamonds and watches provision has also been made in the Customs Act for placing the burden of proof that these goods are not smuggled on the persons from whom they are seized.