

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3214
ANSWERED ON:22.03.2002
US INVESTMENT IN INDIA
ASHOK NAMDEORAO MOHOL;RAMSHETH THAKUR

Will the Minister of FINANCE be pleased to state:

- (a) whether the attention of the Government has been drawn towards the news-item captioned `US fund prohibit investment in India` appearing in the Times of India dated February 25, 2002;
- (b) if so, the facts of the matter reported therein;
- (c) whether America`s largest pension fund grouping has advised foreign investors in India to take into account social and human rights factors while making equity in the country;
- (d) if so, the details thereof alongwith the reasons therefor; and
- (e) the reaction of the Union Government thereon?

Answer

Minister of State in the Ministry of Finance (Gingee N. Ramachandran)

(a) to (e) : Government`s attention has been drawn to the news item `US funds prohibit investment in India`. While the view expressed in the news item could represent the perception of a single investment fund, the attractiveness of India for portfolio investment through the Foreign Institutional Investors route is borne out by the fact that net cumulative investment as reported by the Securities and Exchange Board of India (SEBI) has gone up from US \$ 827.20 million in 1993 to US \$ 14.691 billion as on 31/01/2002.