

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:6786
ANSWERED ON:09.05.2003
INVESTMENT IN FOREIGN STOCKS
CHANDRA NATH SINGH;GANTA SRINIVASA RAO;M. JAGANNATH;NIVEDITA MANE

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) Whether the Government have recently announced any scheme allowing the resident Indian individuals, companies and mutual funds to invest in stocks abroad;
- (b) If so, the details thereof ;
- (c) Whether the Government propose to allow NRIs to take upto US \$ 1 million from the sale of properties and other assets they may own in India ;
- (d) If so, the details of the decisions taken by the Government in this regard;
- (e) Whether the Government have proposal to make some amendments in foreign exchange rules; and
- (f) If so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

- (a) : Government has recently decided to allow Indian Mutual Funds to invest in equity of listed overseas companies.
- (b) : According to Guidelines issued by SEBI, the Mutual Funds can invest in those overseas listed companies which have a shareholding of at least 10% in an Indian Company listed on a recognized Stock Exchange in India (As on January 31, of the year of Investment). The overall cap for the entire Mutual Funds industry to invest in ADRs/GDRs issued by India Companies and Foreign Equity and debt securities, is US \$ 1 Billion.
- (c) to (f) : Reserve Bank has issued instructions to authorized dealers on January 13, 2003 to allow remittance/s upto USD 1 million, per calendar year, out of the balances held in NRO account/sale proceeds of assets of NRIs / PIOs / foreign nationals.