

**GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1238
ANSWERED ON:10.12.2003
INVESTMENT BY NRI
BIR SING MAHATO;MADAN PRASAD JAISWAL

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

- (a) the incentives given by the Union Government to NRIs for making investment in India;
- (b) the amount of investment made by NRIs in the country during the last three years;
- (c) whether NRIs are facing difficulties in the connection; and
- (d) if so, the steps proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS (SHRI VINOD KHANNA)

(a) Details of incentives/facilities available to Non-resident Indians/Persons of Indian Origins are given in Annexe.

(b) Amount of investments made by the NRIs during the last three financial years are as given below:

(US \$ million)

2000-01	20001-02	2002-03
12,873	12,192	15,174

(c) & (d) The Government takes appropriate steps whenever NRIs bring to its attention any difficulties.

ANNEXURE TO THE PARA (A) OF THE LOK SABHA UNSTARRED QUESTION NO. 1238. TO BE ANSWERED ON 10.12.2003

Details of Incentives/facilities available to non-residents/persons of Indian origin

i) Bank Accounts and Deposits:

- a) NRE Accounts (Principal/interest repatriable)
- b) FCNR(B) Principal/repatriable)
- c) NRO Accounts(Current earnings repatriable) Authorised Dealers can allow remittance/s upto USD 1 million for any purpose per calendar year from balances in NRO Accounts subject to payment of applicable taxes.

ii) Other investments on repatriation basis:

- Government dated securities/treasury bills.
- Units of domestic mutual funds.
- Bonds issued by public sector undertaking(PSU) in India.
- Shares in Public Sector Enterprises being dis-invested by the Government of India.
- Investments under Portfolio Investment Scheme.
- Deposits with Indian companies/financial institutions.

iii) Other Investments on Non repatriation basis:

- Units of Money Market Mutual Funds in India.
- The capital of a firm of proprietary concern in India, not engaged in any agricultural or plantation activity or real estate business.

iv) Investments in Immovable property:

- May acquire immovable property in India other than agricultural/plantation property or a farmhouse.

v) Facilities to returning NRIs/PIOs:

Returning NRIs/PIOs

- may continue to hold, own, transfer or invest in foreign currency, foreign security or any immovable property situated outside India, if such currency, security or property was acquired, held or owned when resident outside India.
- may open, hold and maintain with an authorized dealer in India a Resident Foreign Currency(RFC) Account to transfer balances held in NRE/FCNR(B) accounts. Proceeds of assets held outside India at the time of return, can be credited to RFC account. The funds in RFC accounts are free from all restrictions regarding utilisation of foreign currency balances including any restriction on investment in any form outside India.