

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1745
ANSWERED ON:12.12.2003
BAN OF FRESH PORTFOLIO INVESTMENT
VILAS BABURAO MUTTEMWAR

Will the Minister of FINANCE be pleased to state:

- (a) whether there is a ban on the fresh portfolio investments in India by overseas corporate bodies;
- (b) If so, whether the Government propose to review its policy on overseas corporate body investment in Indian companies;
- (c) if so, the details thereof;
- (d) the proposals received by the Government from the corporate sector for investments in the different sectors and whether these proposals have been reviewed by the Government; and
- (e) if so, the details of the proposals received and the decision taken by the Government thereon?

Answer

Minister of State in the Ministry of Finance (Shri Anandrao V. Adsul)

(a) to (e) : The decision taken on 29-11-2001 to ban fresh investment by the Overseas Corporate Bodies (OCBs) under the Portfolio Investment Scheme for NRIs/OCBs was reviewed and it was decided to continue the earlier ban. Government has now derecognised OCBs as a `Class of investors` in terms of RBI Circular dated the 16th September, 2003. Hence, OCBs cannot invest under the Portfolio Investment Scheme.