

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4008
ANSWERED ON:03.12.2010
REINVESTMENT OF PROFITS EARNED IN INDIA
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has assessed the amount of profit earned by the foreign institutions;
- (b) if so, the details during the last three years, country-wise;
- (c) whether the Government proposes to permit or mandate the foreign institutions functioning in the country to reinvest their earned profit in the country again; and
- (d) if so, the details thereof?

Answer

Minister of State in the Ministry of Finance (SHRI NAMO NARAIN MEENA)

(a) & (b): No Sir, however in computation of the FDI statistics based on International Norms RBI does assess the profit as `Reinvested Earnings on gross basis` and includes the same in its statistics.

(c) & (d): Yes, it is permitted. Details are available in FDI Circular, clause 4.6.6(IV) on Department of Industrial Policy & Promotion (DIPP)'s website www.dipp.nic.in.