

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2560
ANSWERED ON:09.12.2011
PROMOTING INVESTMENT ABROAD
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has taken a number of steps to promote capital investment in foreign countries;
- (b) if so, the details of steps taken during the last three years and the current year alongwith the announcement made in this regard during the recent time; and
- (c) the capital investment made in foreign countries during the said period, country-wise?

Answer

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

(a)&(b): Yes, Sir. Reserve Bank of India (RBI) has taken the following important measures in order to promote the outward capital investment in foreign countries since 2008:-

- (i) Investments in energy and natural resources sectors have been allowed in excess of 400% of the company's net worth, as on the date of the last audited balance sheet, with the prior approval of RBI;
- (ii) The aggregate ceiling for investments by Mutual Funds in overseas securities has been enhanced to US\$ 7 billion from US\$ 5 billion,
- (iii) Registered Trusts and Societies engaged in manufacturing/ educational and health sectors are allowed to make investments in the same sectors with the prior approval of RBI
- (iv) Capitalization of exports proceeds where the exports remain outstanding beyond the prescribed period of realization is allowed.

In addition, provisions relating to Performance Guarantee, issuance of Corporate Guarantee, Restructuring of the balance sheet of the overseas entities involving write-off of capital and receivable have been liberalized.

(c): The names of top ten countries and amount of investments from India during the last three years are as follows:-

Sl. 2009-10 2010-11 2011-12 (April- December 5,2011)
No

1. Singapore (3798.50) Mauritius (5045.83) Mauritius (1814.10)

2. Mauritius (2148.38) Singapore (3982.53) Singapore (1568.59)

3. The Netherlands The Netherlands (1516.63) The United Kingdom
(1529.90) (U.K) (901.59)

4. The United States USA (1206.98) The Netherlands (616.97)
of America (USA)
(870.35)

5. British Virgin The United Arab Emirates USA (614.37)
Island (747.49) (UAE) (849.33)

6. UAE (637.47) Cyprus (517.25) British Virgin Island (442.80)

7. Channel Island South Korea (462.52) UAE (259.96)
(515. 57)

8. Cyprus (458.38) Cayman Island(439.31) Hong Kong (169.51)

9. U.K (344.95) U.K(402.45) Cayman Island (141.08)

10. Indonesia (265.52) British Virgin Island Sri Lanka (119.36)
(281.08)