

**GOVERNMENT OF INDIA  
COMMERCE AND INDUSTRY  
LOK SABHA**

STARRED QUESTION NO:323

ANSWERED ON:17.12.2012

INVESTMENTS BY NRIS

Ganpatrao Shri Jadhav Prataprao;Mishra Shri Govind Prasad

**Will the Minister of COMMERCE AND INDUSTRY be pleased to state:**

- (a) the details of the facilities/ opportunities available for Non-Resident Indians (NRIs) for making investment in the country;
- (b) whether the Government has conducted any review/study regarding the investments made by Non-Resident Indians (NRIs);
- (c) if so, the outcome thereof along with the details of the total investments made by the NRIs during the last three years and the current fiscal year;
- (d) whether the Government proposes to encourage NRIs for investment in the country; and
- (e) if so, the details thereof and the steps taken/being taken by the Government in this regard?

**Answer**

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) to (e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 323, FOR ANSWER ON 17th DECEMBER, 2012, REGARDING INVESTMENTS BY NRIS

(a): Non Resident Indians (NRIs) can make investment in India, under various schedules of the Foreign Exchange Management (Issue or Transfer of Security by a Person Resident outside India) Regulations, 2000, as amended from time to time. Investment under the Foreign Direct Investment (FDI) Scheme, contained in Schedule 1 of these Regulations, allows a special dispensation for NRI investments in the sector of townships, housing, built-up infrastructure and construction-development projects (which include, but are not restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure), without some of the conditionalities attached to FDI in such projects. It also allows a special dispensation for NRI investments in the sectors of Scheduled Air Transport Services/Domestic Scheduled Passenger Airlines, Non-Scheduled Air Transport Services and Ground Handling Services, wherein NRI investment, up to 100%, is permitted, under the automatic route. NRIs can also make investment under the Portfolio Investment Scheme and a scheme for non-repatriable investments. Besides the above, NRIs are permitted to invest in Government dated securities / Treasury bills, units of domestic mutual funds, bonds issued by a public sector undertaking (PSU) in India etc. without limits.

(b): This Department has not conducted any such review/study.

(c): Data on foreign investment is maintained by the Reserve Bank of India (RBI). Separate data on NRI Investment is, however, not maintained by them. The data on FDI equity inflows, including NRI investment, as reported by the RBI, during the last three financial years and the current financial year, is as under:

Sl Financial Year FDI (Rs crores)  
No (Apr-Mar)

|   |         |         |
|---|---------|---------|
| 1 | 2009-10 | 123,120 |
| 2 | 2010-11 | 97,320  |
| 3 | 2011-12 | 165,146 |
| 4 | 2012-13 | 80,427  |

(April-October, 2012)

(d) & (e): Government has put in place a liberal and transparent policy for Foreign Direct Investment (FDI), including investments from NRIs, wherein most of the sectors are open to FDI, under the automatic route.

Government plays an active role in investment promotion, through dissemination of information on the investment climate and opportunities in India and by advising prospective investors, including NRIs, about the same. Government has also set up 'Invest India', a joint venture company between the Department of Industrial Policy & Promotion and FICCI, as a not-for-profit, single window

facilitator, for prospective overseas investors, including NRIs, and to act as a structured mechanism to attract investment.

Government has established an organization, called Overseas Indian Facilitation Centre (OIFC) in 2007, to facilitate NRIs and overseas corporate bodies of overseas Indians that desire to invest in India. OIFC has organized several Investment and Interactive Meets in different countries, as also during the Pravasi Bhartiya Divas (PBD) in India. Further, an electronic portal has been launched, to facilitate replies to the queries of potential overseas investors, by OIFC and its knowledge partners, to promote and facilitate economic engagement by Overseas Indians. The annual PBDs and regional PBDs also provide a platform for facilitation of investment by overseas Indians.