

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

UNSTARRED QUESTION NO:2760

ANSWERED ON:26.08.2013

. TARGET OF FDI INFLOW

Bais Shri Ramesh;Chaudhary Shri Haribhai Parthibhai;Choudhary Shri Nikhil Kumar;Ganpatrao Shri Jadhav Prataprao;Mahendrasinh Shri Chauhan ;Manjhi Shri Hari;Mithlesh Shri ;Nagar Shri Surendra Singh;Raghavan Shri M. K.;Singh Shri Prabhunath;Vasava Shri Mansukhbhai D.

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

- (a) the target set and achieved for Foreign Direct Investment (FDI) inflow in the country during the last three years along with the target set for the next three years, sector-wise;
- (b) the reasons for not achieving the desired target of FDI inflow in the country during the said period;
- (c) if so, the details of investment made by Non-Resident Indians (NRIs) during the last three years and the current year along with the steps taken by the Government to give priority status for NRIs investment in the country;
- (d) whether the Government proposes to review FDI including investment by NRIs policy in the country; and
- (e) if so, the details thereof and if not, the reasons therefor?

Answer

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

(a) & (b): No targets are fixed for FDI inflows, nor is an assessment of future inflows possible, as FDI is largely a matter of private business decisions.

(c): Data on NRI Investment is not maintained separately by the Reserve Bank of India

(RBI). However, the data on FDI inflows, including investment from Non Resident Indians, as reported by RBI, for the last three years and current year is at Annexure.

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 allows 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 the performance linked 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 under 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.

(d) & (e): The Government reviews the FDI policy on an ongoing basis, to ensure that India remains an attractive & investor friendly destination. In a recent review of the policy government has approved amendment of the sectoral caps and/or entry routes in some sectors viz. petroleum & natural gas; commodity exchanges; power exchanges; stock exchanges, depositories and clearing corporations; asset reconstruction companies; credit information companies; tea sector including tea plantations; single brand product retail trading; test marketing; telecom services; courier services and defence. The said liberalization measures would also be applicable to NRI investors.