

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4465
ANSWERED ON:08.08.2014
NRI INVESTMENT IN FDI
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Will the Minister of FINANCE be pleased to state:

- (a) the procedures available for investment by NRIs in the economy of the country;
- (b) whether the Government has proposed revision of the NRI investments as FDI in the country; and
- (c) if so, the details thereof and reasons therefor?

Answer

Minister of State in the Ministry of FINANCE (SMT. NIRMALA SITHARAMAN)

(a) Non-Resident Indians (NRIs) may, purchase on repatriation basis, shares and convertible debentures of Indian companies under the FDI scheme (including automatic route & FIPB route), subject to the terms and conditions specified in Schedule 1 to the FEMA Notification No. 20/2000-RB dated May 3, 2000, as amended from time to time. NRI may also purchase shares and convertible debentures of Indian Companies through stock exchange under Portfolio Investment Scheme (PIS), subject to the terms and conditions specified in Schedule 3 to the FEMA Notification No. 20/2000-RB dated May 3, 2000, as amended from time to time. Except few prohibited sectors as notified in FDI policy, a NRI may without any limit purchase on non- repatriation basis, shares or convertible debentures of an Indian company issued whether by public issue or private placement or right issue.

(b) and (c) Government has been undertaking the review of foreign investment policy from time to time so as to enable promoting investment in the Indian Economy.