

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:206

ANSWERED ON:01.03.2002

INVESTMENT BY OVERSEAS CORPORATE BODIES

GANGASANDRA SIDDAPPA BASAVARAJ;IQBAL AHMED SARADGI;SURESH RAMRAO JADHAV (PATIL)

Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has called for a rethink on the policy regarding investments in India by Overseas Corporate Bodies to ensure the presence of only genuine players;

(b) if so, whether it has suggested to the Government after a sample study done by the RBI which showed a net outflow of \$ 230 million as per the accounts of OCBs maintained by their designated banks;

(c) if so, the main points suggested by the RBI for OCB policy ; and

(d) the time by which final decision in this regard is likely to be taken?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (BALASAHEB VIKHE PATIL)

(a) to (d) : Yes, Sir. The issues regarding possible misuse of the Portfolio Investment Scheme (PIS) by certain Overseas Corporate Bodies (OCBs) was considered by the High Level Committee on Financial and Capital Markets and in the light of recommendations made by the Committee it has been decided that with effect from 29.11.2001 OCBs shall not be permitted to invest under the PIS in India.