

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

UNSTARRED QUESTION NO:3720
ANSWERED ON:19.04.2010
INVESTMENT BY INDIAN INDUSTRIES TO ABROAD
Reddy Shri Magunta Srinivasulu

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

- (a) whether the Government allows Indian Industries/ companies to invest abroad;
- (b) if so, the details thereof alongwith the names of companies where substantial investment has been made during the last year and management control has been taken over;
- (c) whether the Government is providing any incentives including logistic support to such Indian companies; and
- (d) if so, the details thereof;

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b):As per Notification No. 120/RB-2004 dated 7th July, 2004, under the Foreign Management Exchange Act, 1999, an eligible "Indian party", (i.e. an Indian company incorporated in India or a body created under an Act of Parliament or a partnership firm registered under the Indian Partnership Act, 1932), is eligible to make overseas direct investment upto 400% of the net worth of the company under Automatic Route if the company complies with the conditions of Regulation 6&7 of the said Notification. No specific permission from Government is required in such cases. If more than one such company, body or entity make an investment in the foreign entity, all such companies or bodies or entities shall together constitute the "Indian party". As informed by the Reserve Bank of India (RBI), investment made abroad by 10 top companies (actual outflows) during April 01, 2008 to March 31, 2009 are as given in the Table below:

(USD Mn.)

Name of the Company	Total	Outflow @
1. ONGC Videsh Ltd	2910.30	
2. Hindalco Industries Ltd	2153.96	
3. Tata Motors Ltd	1502.57	
4. Tata Steel Ltd	992.61	
5. Suzlon Energy Ltd	543.39	
6. United Phosphorous Ltd	361.00	
7 Reliance Natural Resource Ltd	275.00	
8. ABAN Offshore Ltd	268.29	
9. Videocon Industries Ltd	261.04	
10. Reliance Industries Ltd	219.19	

@ Data Provisional.

No specific information is available regarding management control having taken over by these companies due to the investment made.

(c) & (d): The investments made are on the basis of decisions taken and in the larger interest of the companies themselves. Therefore, the question of incentives by the Government does not arise.