

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:3370  
ANSWERED ON:01.08.2014  
OVERSEAS INVESTMENT BY INDIAN FIRMS  
Rudy Shri Rajiv Pratap

**Will the Minister of FINANCE be pleased to state:**

- (a) the details of the Overseas Direct Investment (ODI) made by Indian firms over the last three years, sector/year and country-wise;
- (b) whether the Government has assessed its impact on the Indian Economy and the motive for such investment by Indian firms and if so, the details thereof;
- (c) whether Indian companies are using overseas funds to retire debt clean accounts, if so, the details thereof and the reasons therefor;
- (d) the action taken thereon; and
- (e) the corrective steps taken or proposed to be taken in the matter?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SMT. NIRMALA SITHARAMAN)

- a) The sector/ year and country wise details of Overseas Direct Investment (ODI) made by Indian firms over the last three years is annexed.
- b) The decisions regarding ODI are taken as part of corporate strategy, keeping in view the applicable policy framework of the originating and destination countries. Foreign Investment are two way flows, which, in general, promote economic growth and have positive impact on the economics concerned. However, the RBI review the ODI policy regime, keeping in view the Balance of Payment position.
- c to e) Indian companies in the manufacturing and infrastructure sectors were allowed by RBI to avail of External Commercial Borrowings (ECBs) for repayment of Rupee loans availed of from domestic banking system and / or for fresh Rupee capital expenditure, under the approval route, subject to satisfying certain conditions. However, thereafter, it has been decided that the repayment of Rupee loans availed of from domestic banking system through ECBs extended by overseas branches / subsidiaries of Indian banks will, not be permitted.