

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:248  
ANSWERED ON:25.02.2000  
PAYMENT TO OVERSEAS LAWYERS IN FOREIGN EXCHANGE  
UTTAMRAO NATHUJI DHIKALE

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

- (a) whether the Government have decided to permit companies to carry out payments in foreign exchange to their Overseas lawyers and bankers;
- (b) if so, the details thereof;
- (b) whether Indian companies have been unable to firm up their loan agreements; and
- (d) if so, details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a), (b), (c) & (d) :- As per guidelines on External Commercial Borrowings (ECB), Indian Companies are permitted to make payments in foreign exchange to their overseas lawyers and bankers from out-of-pocket expenses and this is provided for as a part of ECB approvals. Operating and out-of-pocket expenses incurred for potential ECBs that do not result in loans, are allowed by Reserve Bank of India (RBI) as per prevailing RBI's guidelines on current account transactions, subject to a cap.