

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2677
ANSWERED ON:07.03.2003
AUTOMATIC LICENSING ROUTE
NITISH SENGUPTA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether there is a proposal to enlarge the automatic licensing route as administered by the Reserve Bank of India and reduce the role of the FIPB; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) Government has put in place a liberal FCI policy and most of the sectors have been placed under the automatic route, except (or a small negative list. In almost all activities FDI up to 100% is permitted on the automatic route, except for a few sectors such as telecom, banking, insurance, broadcasting, etc., where caps have been prescribed based on strategic and sectoral considerations. The FDI policy, including sectoral policies and caps, is reviewed on an ongoing basis.