

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1873
ANSWERED ON:24.08.2007
FDI INFLOW
Rao Shri Kavuru Samba Siva

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government proposes to further liberalize the norms for Foreign Direct Investment (FDI) in development of nuclear energy and other power projects, civil aviation, petroleum etc. to meet high investment requirements of the rapidly growing economy;
- (b) whether the Government proposes to review FDI policy and raise the cap on FDI in different sectors, relax mandatory divestment conditions and free some sectors from the obligations of Press Note 1; and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) : Government has put in place a liberal & transparent FDI policy according to which FDI in most sectors/activities is permitted up to 100% under the automatic route. The FDI policy, including caps on foreign equity limits and procedures are reviewed on a continuing basis with a view to creating an improved investment regime for higher FDI inflows. Recently, a review of the FDI policy was undertaken by the Government in January, 2006. Press Note 4 (2006 series) containing the rationalization measures is available on the Department of Industrial Policy & Promotion(DIPP)'s website <http://dipp.nic.in>