

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5453
ANSWERED ON:22.12.2000
ENTRY TO FOREIGN MANAGEMENT CONSULTANCY FIRMS
SUBODH MOHITE

Will the Minister of FINANCE be pleased to state:

- (a) whether the Union Government have permitted free entry of foreign management consultancy firms into country to provide accounting/other services;
- (b) if so, the reasons thereto;
- (c) whether the Institute of Chartered Accountants of India has demanded restriction on entry of these firms;
- (d) if so, the details thereof; and
- (e) the reaction of the Government thereto?

Answer

Minister of State in the Ministry of Finance (Balasaheb Vikhe Patil)

- (a) & (b): A total number of 479 proposals, envisaging Foreign Direct Investment (FDI) amounting to Rs.2058.25 crore, have been approved during the period from 1.8.91 to 31.10.2000 in accordance with the prevailing policy which allows 100% foreign equity under automatic route in consultancy sector. FDI has not been permitted for accounting and legal services.
- (c) & (d): No such reference has been received.
- (e): Question does not arise.