

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

UNSTARRED QUESTION NO:5819
ANSWERED ON:02.05.2003
ROLE OF FIPB
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 RBI and reduce the role of the FIPB; and

(b) if so, the details thereof alongwith the reasons, therefor?

Answer

Minister of State in the Ministry of Finance (Shri Anandrao V. Adsul)

(a) & (b): No, Sir. At present there is no such proposal under consideration of the Government. Foreign Direct Investment upto 100% is permitted on automatic route in most sectors. Approval of FIPB is required only in a few sectors such as broadcasting, domestic Airlines, integrated townships, defence industry, tea plantations, etc. Applications made to FIPB are considered on the basis of notified guidelines and normally disposed of within a time frame of six weeks from the date of receipt of the application.