

**GOVERNMENT OF INDIA  
COMMUNICATIONS AND INFORMATION TECHNOLOGY  
LOK SABHA**

STARRED QUESTION NO:152  
ANSWERED ON:30.07.2003  
FOREIGN INVESTMENT IN TELECOM SECTOR  
PRABHA RAU;VILAS BABURAO MUTTEMWAR

**Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:**

- (a) whether the Government propose to raise foreign investment in the telecom sector by allowing the incremental investment to be routed through foreign institutional investors;
- (b) if so, the details thereof;
- (c) whether the proposal has been reviewed from all its angles particularly with regard to the objections raised by the security agencies;
- (d) if so, whether the proposal has been cleared by the security agencies;
- (e) if so, the precautions taken in this regard; and
- (f) the benefits likely to be derived as a result of foreign investment in this sector?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI , PRADHAN)

(a) to (f) A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (f) OF LOK SABHA STA QUESTION NO. 152 FOR 30TH JULY, 2003 REGARDING FOREIGN INVESTMENT IN TELECOM SECTOR.

(a) to (e): Investment through Foreign Institutional Investors (FIIs) is already allowed in the telecom sector within the sectoral caps. A proposal to allow FIIs investment outside the sectoral cap is presently at the discussion level only, in which various aspects, including those relating to security have been included.

(f) Foreign investment will help in making more resources available for faster development of the telecom sector in the country.