

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2012
ANSWERED ON:15.03.2002
AMENDMENTS IN FDI CONDITIONS
ADHISANKAR

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Foreign Investment Promotion Board has recommended amendments/deletions of FDI conditions of entry of foreign investors into India;
- (b) if so, the details thereof;
- (c) whether FIPB has considered all the pros and cons of past precedents before recommending said amendments;
- (d) if so, whether the Government have accepted the recommendations of FIPB;
- (e) if so, the details of existing conditions and new guidelines for permitting the foreign investors into India; and
- (f) the extent to which new guidelines would be helpful in attracting the foreign investors?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH)

- (a) & (b) : Entry level conditions imposed on the basis of FIPB guidelines/sectoral FDI policies are not considered by FIPB for deletion/amendment on a case to case basis.
- (c) & (d): Do not arise.
- (e) & (f) : Progressive liberalisation is normally with prospective effect and past obligation(s), if any, on the basis of previous policy, have to be fulfilled by foreign collaboration approval holders. The progressive liberalisation is aimed at making FDI procedures simpler by placing them on the automatic route to the extent possible. Similarly, FDI caps are imposed in a few sectors based on strategic considerations and FDI upto 100% is permitted in the remaining sectors open to FDI. The liberal FDI policy framework has helped in attracting more FDI.