

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

UNSTARRED QUESTION NO:2455
ANSWERED ON:09.08.2010
FOREIGN INVESTORS IN TELECOM SECTOR
Biju Shri P. K.

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

(a) the total number of foreign investors alongwith the amount invested in Telecom Sector during the last three years and the current year; and

(b) the steps taken/being taken by the Government to encourage more investments in Telecom Sector?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI SACHIN PILOT)

(a) The total number of foreign investors along with the amount invested in Telecom Sector during the last three years and the current year are as under:

Year	Total number of investors in Telecom Sector (Rs. in crore)	Amount invested
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2007-08	129	5,103
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2008-09	149	11,727
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2009-10	198	12,338
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2010-11	22	4,023
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(upto May
2010)

Total	498	33,191
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(b) As per the extant policy, 74% composite (direct +indirect) Foreign Direct Investment (FD) is permitted in Telecom sector, out of which 49% is permitted through automatic route. The Government has revised the methodology of calculation of indirect foreign investment in February 2009, according to which FDI of less than 50% in the investing company is not counted in the telecom licensee company if the investing company is 'owned' and 'controlled' by Resident Indian Citizens. This change of methodology of calculation of indirect foreign investment from earlier proportionate basis to 'owned' and 'controlled' basis has given more room for further investment in the telecom sector.