

Foreign Investment

- Limit on foreign equity holdings raised from 40% to 51% in a wide range of industries (especially export oriented units)
- Foreign Equity Proposals need not to be accompanied by Foreign Technology Transfer Agreement
- Procedure for FDI streamlined by creating a Foreign Investment Promotion Board to consider individual application case by case

Foreign Technology Agreements

- Foreign technology agreements in high-priority industries upto Rs. 1 crore were given automatic permission
- No permission was required for hiring foreign technicians and foreign testing of indigenously developed technologies.

Pre 1991 policy	Current policy(post 1991 policy)
Industrial licensing was the rule	Licensing is an exception
Public sector monopoly/dominate in basic and heavy industries	All industries are open to private sector, except two (atomic energy and railway transport)
M RTP act restrictions on entry and growth of large companies	No such restrictions
Foreign investment allowed only in selected industries that with terms and conditions	Foreign investment allowed in a large number of industries
Restrictive policy towards foreign technology	Very liberal policy towards foreign technology
Reservation of large number of products for small scale sector	Reservation list is being pruned.