

India hikes telecom foreign investor limit

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As expected, India's Union Cabinet has approved a blueprint allowing greater foreign investment in the nation's telecom sector.

Friday's action raises the limit from 49 percent to 74 percent and is widely expected to spark a surge of new capital into Indian telecom companies.

The new foreign direct investment limits had been delayed over fine-tuning of the amount of investment that can be made by Indian public-sector banks and other financial institutions that themselves have a significant amount of FDI.

The new regulations will not count foreign FDI in public-sector banks against the 74-percent cap on telecom FDI investments. Foreign shareholding in private banks, however, is counted against the 74 percent.

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