Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
(FC-I Section)

Press Note No.3 (2011 Series)

Subject: Review of the policy on Foreign Direct Investment in pharmaceuticals sector—insertion of a new paragraph 6.2.25 to ‘Circular 2 of 2011- Consolidated FDI Policy’

1.0 Present Position:

Foreign Direct Investment (FDI), up to 100%, under the automatic route, is permitted in the pharmaceuticals sector.

2.0 Revised Position:

The Government of India has reviewed the extant policy on FDI and decided as under:

(i) FDI, up to 100%, under the automatic route, would continue to be permitted for greenfield investments in the pharmaceuticals sector.
(ii) FDI, up to 100%, would be permitted for brownfield investments (i.e. investments in existing companies), in the pharmaceuticals sector, under the Government approval route.

3.0 Accordingly, the following amendment is made in ‘Circular 2 of 2011- Consolidated FDI Policy’, dated 30.09.2011, issued by the Department of Industrial Policy & Promotion:

Insertion of a new paragraph 6.2.25:

A new paragraph (6.2.25) is inserted as below:

<table>
<thead>
<tr>
<th>6.2.25</th>
<th>Pharmaceuticals</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2.25.1</td>
<td>Greenfield</td>
</tr>
<tr>
<td>6.2.25.2</td>
<td>Existing companies</td>
</tr>
</tbody>
</table>

4.0 The above decision will take immediate effect. It would be reviewed after a period of six months.

Joint Secretary to the Government of India

(D/o IPP File No.: 1/16//2010-FC-I dated: 8th November, 2011)

Copy forwarded to:

1. Press Information Officer, Press Information Bureau- for giving wide publicity to the above Press Note.
2. BE Section in the Department of Industrial Policy and Promotion- for uploading the Press Note on DIPP’s website.