

**GOVERNMENT OF INDIA  
CHEMICALS AND FERTILIZERS  
LOK SABHA**

UNSTARRED QUESTION NO:832  
ANSWERED ON:04.08.2011  
FDI CAP IN PHARMACEUTICAL VENTURES  
Bhoi Shri Sanjay

**Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:**

- (a) whether the Government is planning to bring down the Foreign Direct Investment (FDI) cap in existing pharmaceutical ventures;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether this matter has been referred to the Planning Commission;
- (d) if so, whether the Planning Commission has any role in the FDI policy or is entrusted with such approvals; and
- (e) if so, the details thereof?

**Answer**

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION  
AND MINISTER OF THE STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) & (b): The recent takeovers of Indian companies by MNCs could increase the possibility of other takeovers of Indian companies which would have impact on the Indian health care scenario as well as on pricing and availability of medicines in India. As such an appropriate assessment requires to be made. The Department of Pharmaceuticals have requested the Department of Commerce to conduct a study on the recent takeovers of Indian companies by the MNCs. Thereafter, the recommendation could be placed before the Economic Advisory Council to the Prime Minister and/or the Competent Authority. Department of Commerce has informed that they have entrusted the task of this study to M/s Ernst & Young.

(c) to (e): The policy for Foreign Direct Investment (FDI) in existing Indian Pharmaceutical Companies has come in for public comments especially on the issue of takeover of existing Indian pharmaceutical companies by multi-national companies. With a view to examine the issues involved in a broader perspective, Planning Commission has with the approval of the Hon'ble Prime Minister constituted a High Level Committee (HLC) under the Chairpersonship of Shri Arun Maira, Member (Industry), Planning Commission to consider all the relevant aspects.