

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

UNSTARRED QUESTION NO:1694
ANSWERED ON:01.12.2011
FDI IN PHARMACEUTICAL SECTOR
Lagadapati Shri Rajagopal

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

- (a) whether any Committee has been constituted to look into various aspects of Foreign Direct Investment in pharmaceutical sector and the affect of it on the domestic pharmaceutical companies;
- (b) if so, whether the Committee has submitted its report; and
- (c) if so, the details of recommendations made and action taken by the Government thereon?

Answer

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

(a) to (c); With a view to examine the issues involved in a broader perspectives, 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. This High Level Committee has since submitted its report to the Hon'ble Prime Minister. As per recent press note 3(2011) issued by Department of Industrial Policy and Promotion on 07.11.2011:-

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