

# Foreign Direct Investment – Regulation & Policy



## Basics - Part – 1

### Important Definitions –

#### **AD Category-I Bank –**

**'AD Category-I Bank'** means a bank (Scheduled Commercial, State or Urban Cooperative) which is authorized under Section 10(1) of FEMA to undertake all current and capital account transactions according to the directions issued by the RBI from time to time.

#### **Authorized Bank –**

**'Authorized Bank'** means a bank including a co-operative bank (other than an authorized dealer) authorized by the Reserve Bank to maintain an account of a person resident outside India.

#### **Authorized Dealer –**

**'Authorized Dealer'** means a person authorized as an authorized dealer under sub-section (1) of section 10 of FEMA.

#### **Authorized Person –**

**'Authorized Person'** means an authorized dealer, money changer, offshore banking unit or any other person for the time being authorized under sub-section (a) of section 10 of FEMA to deal in foreign exchange or foreign securities.

#### **Capital –**

**'Capital'** means equity shares; fully, compulsorily & mandatorily convertible preference shares; fully, compulsorily & mandatorily convertible debentures and warrants.

#### **Capital account transaction –**

**'Capital account transaction'** means a transaction which alters the assets or liabilities, including contingent liabilities, outside India of persons resident in India or assets or liabilities in India of persons resident outside India, and includes transactions referred to in section 6(3) of FEMA.

#### **Foreign Currency Convertible Bond –**

FCCB means –

- 1) A bond issued by an Indian company expressed in foreign currency.
- 2) The principal and interest is payable in foreign currency.
- 3) FCCBs are subscribed by a non-resident entity in foreign currency and convertible into Ordinary Shares of the issuing company in any manner, either in whole, or in part.

#### **FDI –**

**'FDI'** means investment by non-resident entity/person resident outside India in the capital of an Indian company under Schedule 1 of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017.

### Person of Indian Origin –

**'Person of Indian Origin' (PIO)** means a citizen of any country other than Bangladesh or Pakistan, if –

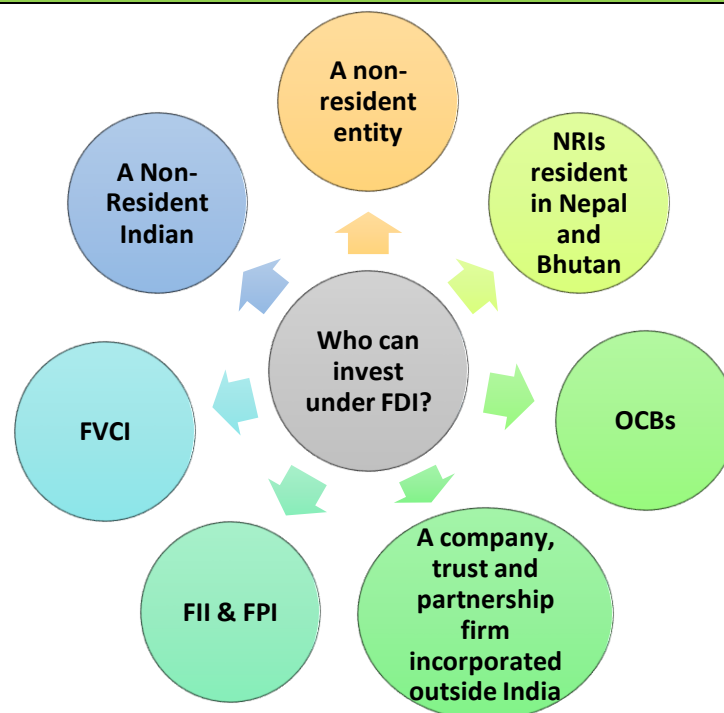
- a) he at any time held Indian Passport; or
- b) he or either of his parents or any of his grandparents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955
- c) the person is a spouse of an Indian citizen or a person referred to in points above (point a and b)

### Person resident in India –

**'Person resident in India'** means –

- 1) A person residing in India for more than 182 days during the course of the preceding financial year but does not include –
  - A person who has gone out of India or who stays outside India –
    - a) for or on taking up employment outside India, or
    - b) for carrying on outside India a business or vocation outside India, or
    - c) for any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period;
  - A person who has come to or stays in India otherwise than –
    - a) for or on taking up employment in India; or
    - b) for carrying on in India a business or vocation in India, or
    - c) for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;
- 2) any person or body corporate registered or incorporated in India,
- 3) an office, branch or agency in India owned or controlled by a person resident outside India,
- 4) an office, branch or agency outside India owned or controlled by a person resident in India.

### Who can invest under FDI? (Eligible Investors Under FDI)



**A) A non-resident entity –**

- 1) A non-resident entity can invest in India as per FDI Policy
- 2) Non-resident entity cannot invest in those sectors/activities which are prohibited.
- 3) **An entity or any citizen who are from the country which shares border with India can invest under government route only.**
- 4) A citizen of Bangladesh or an entity incorporated in Bangladesh can invest only under the Government route.
- 5) A citizen of Pakistan or an entity incorporated in Pakistan can invest, only under the Government route,
- 6) A citizen of Pakistan or an entity incorporated in Pakistan cannot invest in defence, space, atomic energy and prohibited sectors.

**Note –**

**If there is transfer of ownership of any FDI from one person to another person falling in the above restrictions then they will also need government approval.**

**B) NRIs resident in Nepal and Bhutan –**

- NRIs resident in Nepal and Bhutan as well as citizens of Nepal and Bhutan are permitted to invest in the capital of Indian companies on repatriation basis.
- However, the amount of consideration for such investment shall be paid only by way of inward remittance in free foreign exchange through normal banking channels.

**C) Erstwhile OCBs (Overseas Corporate Body) –**

- a) OCBs have been derecognized as a class of investors in India with effect from September 16, 2003.
- b) Erstwhile OCBs which are incorporated outside India and are not under the adverse notice of RBI can make fresh investments under FDI Policy as incorporated non-resident entities, as per FDI policy and FEMA Rules.

**Meaning of Erstwhile OCBs –**

EOCBs means –

- A company; or
- Partnership firm; or
- Society; or
- Body Corporate

In which 60% or more ownership is held by NRIs or if the ownership is with the overseas trust then 60% or more beneficiaries of the trust are NRIs.

**D) A company, trust and partnership firm incorporated outside India –**

A company, trust and partnership firm incorporated outside India and owned and controlled by NRIs can invest in India with the special exemption as available to NRIs under the FDI Policy.

**E) FII and FPI –**

- Foreign Institutional Investor (FII) and Foreign Portfolio Investors (FPI) may invest in the capital of an Indian company under the Portfolio Investment Scheme.
- Limits of the individual holding of an FII/FPI should be below 10% of the capital of the company and the aggregate limit for FII/FPI investment to 24% of the capital of the company
- This aggregate limit of 24% can be increased to the sectoral cap, as applicable, by the Indian company by passing board resolution, special resolution and RBI approval.

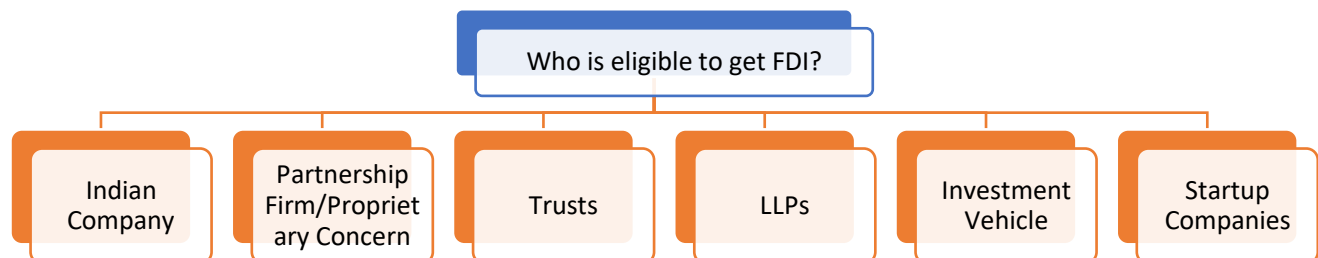
**F) FVCI registered with SEBI –**

- A SEBI registered Foreign Venture Capital Investor (FVCI) may contribute up to 100% of the capital of an Indian company engaged in any activity mentioned in the notification issued by RBI.
- The investment can be made in equities or equity linked instruments or debt instruments issued by the company

**G) A Non- Resident Indian –**

A Non- Resident Indian may subscribe to National Pension System governed and administered by **Pension Fund Regulatory and Development Authority (PFRDA)**, provided such subscriptions are made through normal banking channels and the person is eligible to invest as per the provisions of the PFRDA Act.

**Eligible investee under FDI –**

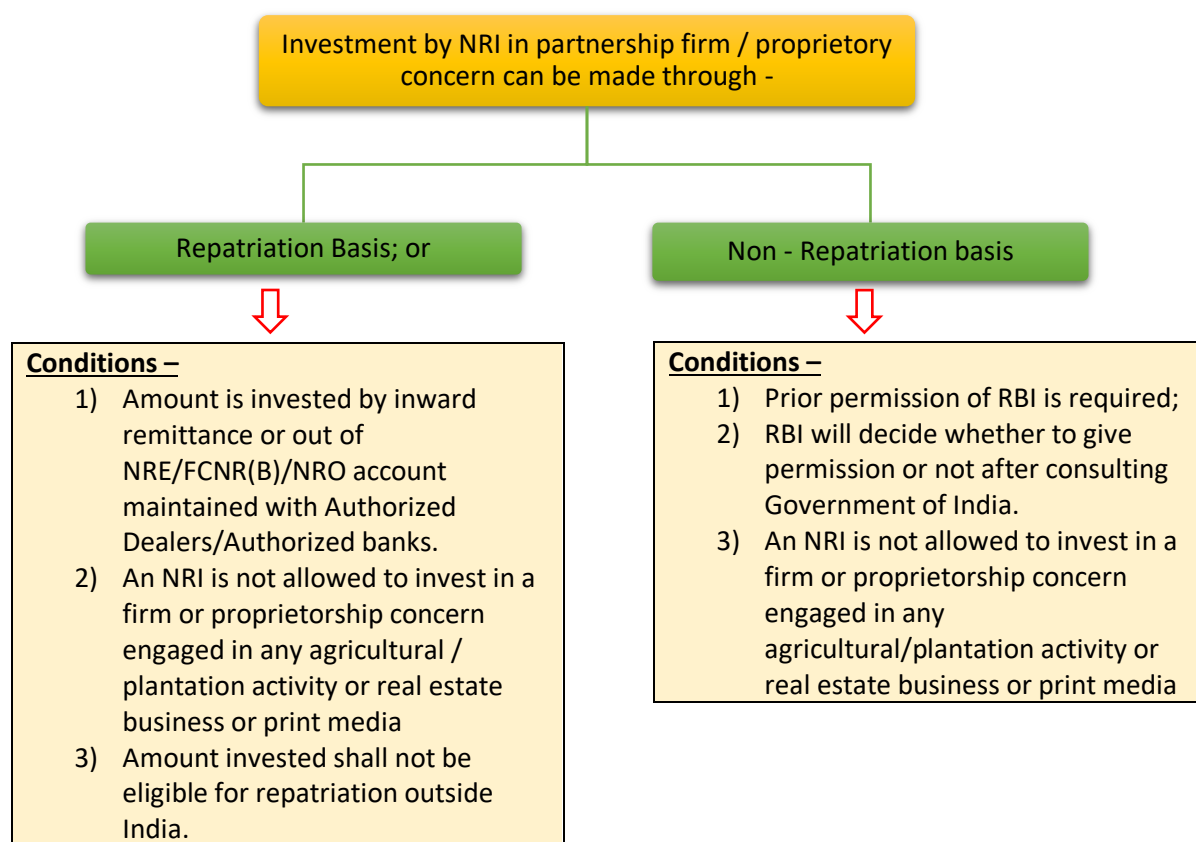


**A) Indian Company –**

Indian companies can issue capital against FDI.

**B) Partnership Firm/Proprietary Concern –**

- 1) **Investment by A Non-Resident Indian (NRI) –**



**Note –**

- a) **NRE accounts = Non-Resident External account**
- b) **FCNR accounts = Foreign Currency Non-Resident account**
- c) **NRO = Non-Resident Ordinary Account**

**2) Investment by non-residents other than NRIs –**

A person resident outside India other than NRIs/PIO may make an application and seek prior approval of Reserve Bank for making investment in the capital of a firm or a proprietorship concern or any association of persons in India. The application will be decided in consultation with the Government of India.

**C) Trusts –**

- 1) FDI is not permitted in Trusts.
- 2) However, investment is allowed in Venture Capital Fund (VCF) registered and regulated by SEBI and 'Investment vehicle'.

**D) Limited Liability Partnerships (LLPs) –**

FDI in LLPs is permitted subject to the following conditions –

- FDI is permitted under the automatic route in Limited Liability Partnership (LLPs) operating in sectors/activities where 100% FDI is allowed through the automatic route
- An Indian company or an LLP having foreign investment, can also make downstream investment in another company or LLP in sectors in which 100% FDI is allowed under the automatic route and there are no FDI-linked performance conditions.
- **LLP having foreign investment and operating in sector where 100% FDI is allowed and there is no FDI-linked performance conditions can be converted into company in automatic route and vice-versa**
- FDI in LLP is subject to the compliance of the conditions of LLP Act, 2008.

**E) Investment Vehicle –**

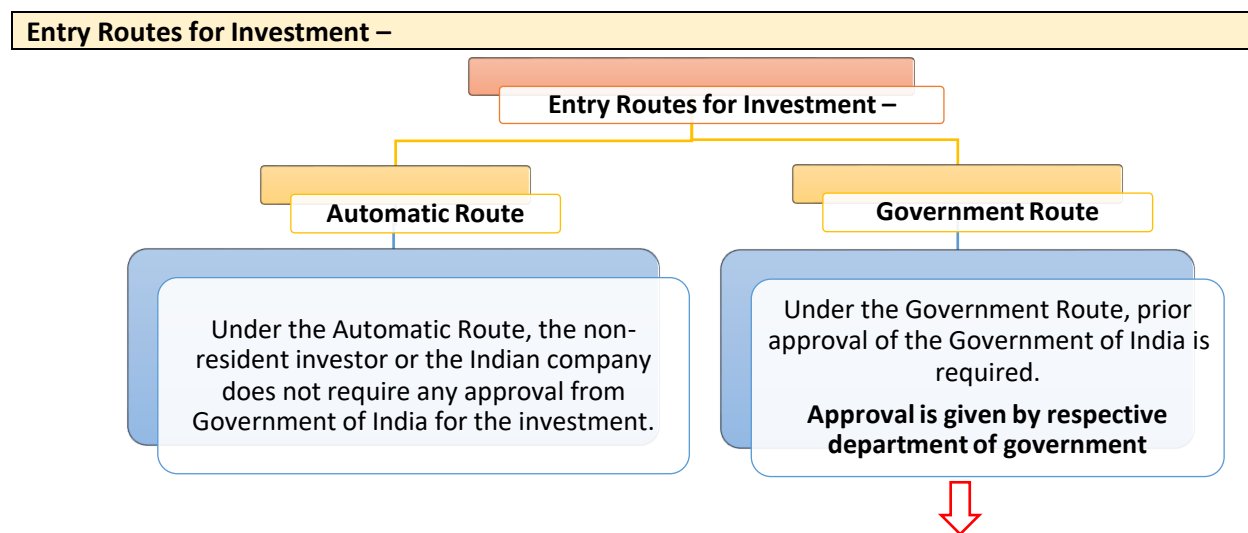
‘investment vehicle’ registered and regulated under relevant regulations of SEBI such as Real Estate Investment Trusts, Infrastructure Investment Trusts, Alternative Investment Funds is permitted to receive foreign investment from a person resident outside India as per the provisions of FEMA Rules.

**F) FDI in Startup Companies –**

- Start-ups can issue equity or equity linked instruments or debt instruments to FVCI against receipt of foreign remittance, as per the FEMA Regulation.
- Start-ups can issue convertible notes to person resident outside India subject to the conditions as may be laid down under FEMA.

**Important Note –**

**FDI in resident entities other than those mentioned above is not permitted.**



**Foreign investment in sectors/activities under government approval route will be subject to government approval where –**

- 1) An Indian company is being established with foreign investment and is not owned by a resident entity or
- 2) An Indian company is being established with foreign investment and is not controlled by a resident entity or

- 3) The control of an existing Indian company, currently owned or controlled by resident Indian citizens and Indian companies, which are owned or controlled by resident Indian citizens, will be passed on to a non-resident entity as a consequence of transfer of shares and/or fresh issue of shares to non-resident entities through amalgamation, merger/demerger, acquisition etc. or

### Competent Authority –

Sr. No.	Activity/ sector	Administrative Ministry/ Department
1)	Mining	Ministry of Mines
2)	Defence – a) Items requiring Industrial Licence under the Industries (Development & Regulation) Act, 1951, and/or Arms Act, 1959 for which the powers have been delegated by Ministry of Home Affairs to DIPP b) Manufacturing of Small Arms and Ammunitions covered under Arms Act 1959	Department of Defence Production, Ministry of Defence Ministry of Home Affairs
3)	Broadcasting and Print Media	Ministry of Information & Broadcasting
4)	Civil Aviation	Ministry of Civil Aviation
5)	Satellites	Department of Space
6)	Telecommunication	Department of Telecommunications
7)	Private Security Agencies	Ministry of Home Affairs
8)	Applications involving investments from Countries of Concern which presently include Pakistan and Bangladesh, requiring security clearance	Ministry of Home Affairs
9)	Trading (Single brand, Multi brand and Food Product retail trading)	Department of Industrial Policy & Promotion (DIPP)
10)	FDI proposals by Non-Resident Indians (NRIs)/ Export Oriented Units requiring approval of the Government	DIPP
11)	Applications relating to issue of equity shares under the FDI policy under the Government route for import of capital goods/machinery/equipment (excluding second-hand machinery)	DIPP
12)	Applications relating to issue of equity shares for pre-operative/pre-incorporation expenses (including payments of rent etc.)	DIPP
13)	Financial services activity which are not regulated by any Financial Sector Regulator or where only part of the financial services activity is regulated or where there is doubt regarding the regulatory oversight	Department of Economic Affairs
14)	Applications for foreign investment into a Core Investment Company or an Indian company engaged only in the activity of investing in the capital of other India Company	Department of Economic Affairs

15)	Banking (Public and Private)	Department of Financial Services
16)	Pharmaceuticals	Department of Pharmaceuticals

**Note –**

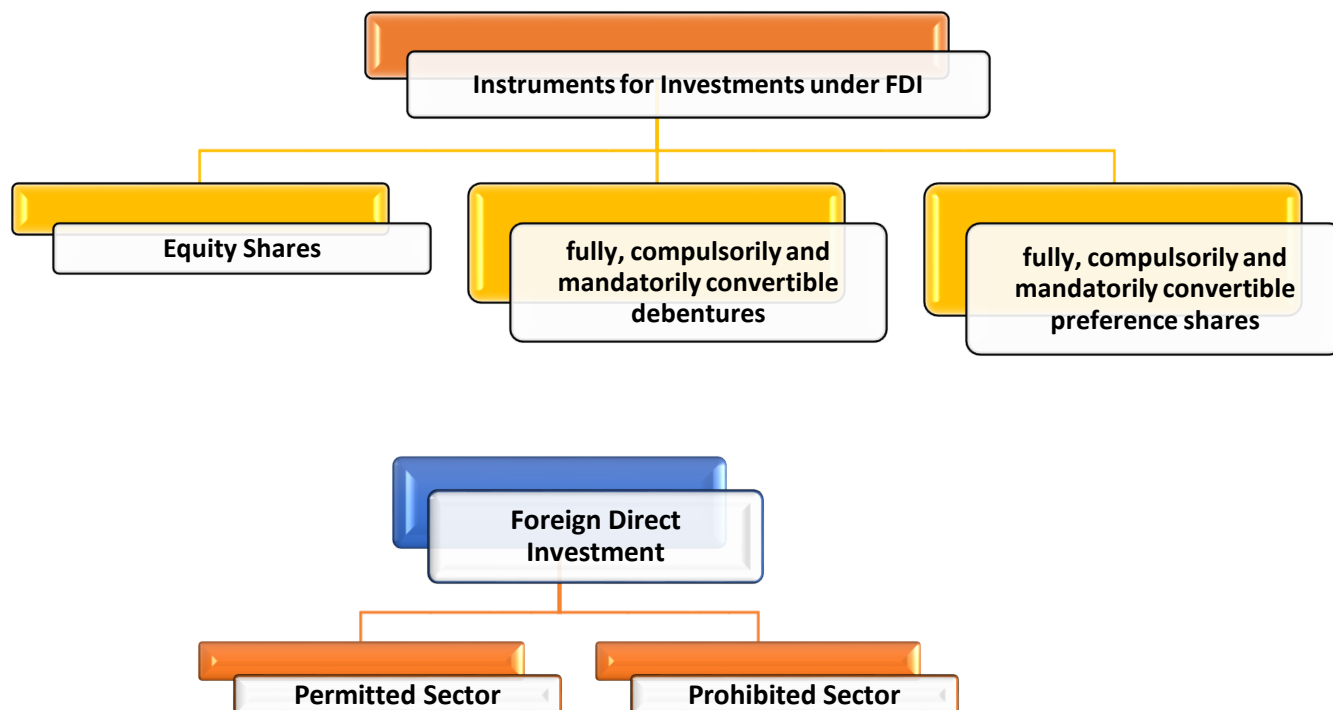
- 1) In case of doubt about the Administrative Ministry/Department concerned then in those cases DPIIT shall identify the Administrative Ministry/Department where the application will be processed.
- 2) In case of proposals involving total foreign equity inflow of more than Rs 5000 crore, Competent Authority shall place the same for consideration of Cabinet Committee on Economic Affairs (CCEA).
- 3) Every time a company who is under approval route receives foreign investment, it should take fresh approval of concerned department of government.

**CASES WHICH DO NOT REQUIRE FRESH APPROVAL –**

Companies may not require fresh approval of the Government for bringing in additional foreign investment into the same entity, in the following cases –

- 1) Sectors which were under approval route but now they are in automatic route;
- 2) Companies operating in approval route sectors where sectoral cap was there but now, they are in automatic route. However, investment should not exceed sectoral cap.
- 3) Additional foreign investment up to cumulative amount of Rs 5,000 crore into the same entity within an approved foreign equity percentage/or into a wholly owned subsidiary.

**Instruments for Investments under FDI –**





## Prohibited Sectors –

### FDI is prohibited in –

- Gambling and Betting
- Lottery business (including government/ private lottery, online lotteries etc)
- Activities /sectors not open to private sector investment (eg, atomic energy /railways)
- Business of chit fund
- Nidhi company
- Real estate business or construction of farm houses
- Trading in transferable development rights (TDRs)
- Manufacturing of tobacco, cigars, cheroots, cigarillos, cigarettes and other tobacco substitutes
- Foreign technology collaboration in any form including licensing for franchise, trademark, brand name, management contract

### Note –

Real estate business' shall not include development of townships, construction of residential /commercial premises, roads or bridges and Real Estate Investment Trusts (REITs) registered and regulated under the SEBI (REITs) Regulations 2014.

## Permitted Sectors –

### 1) AGRICULTURE & ANIMAL HUSBANDRY –

Sector/Activity	% of FDI Cap	Entry Route
<ul style="list-style-type: none"> <li>• Floriculture, Horticulture, and Cultivation of Vegetables &amp; Mushrooms under controlled conditions;</li> <li>• Development and Production of seeds and planting material;</li> <li>• Animal Husbandry (including breeding of dogs), Pisciculture, Aquaculture, Apiculture; and</li> <li>• Services related to agro and allied sectors</li> </ul> <p><b>Note –</b> Besides the above, FDI is not allowed in any other agricultural sector/activity</p>	100%	Automatic

### 2) PLANTATION SECTOR –

Sector/Activity	% of FDI Cap	Entry Route
<ul style="list-style-type: none"> <li>• Tea sector including tea plantations</li> <li>• Coffee plantations</li> <li>• Rubber plantations</li> <li>• Cardamom plantations</li> <li>• Palm oil tree plantations</li> <li>• Olive oil tree plantations</li> </ul> <p><b>Note: Besides the above, FDI is not allowed in any other plantation sector/activity</b></p>	100%	Automatic

### 3) MINING –

Sector/Activity	% of FDI Cap	Entry Route
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Mining and Exploration of metal and non-metal ores including diamond, gold, silver and precious ores but excluding titanium bearing minerals and its ores; subject to the Mines and Minerals (Development & Regulation) Act, 1957.	100%	Automatic
<ul style="list-style-type: none"> <li>Coal &amp; Lignite mining for captive consumption by power projects, iron &amp; steel and cement units and other eligible activities permitted under and subject to the provisions of Coal Mines (Nationalization) Act, 1973.</li> <li>Setting up coal processing plants like washeries subject to the condition that the company shall not do coal mining and shall not sell washed coal or sized coal from its coal processing plants in the open market and shall supply the washed or sized coal to those parties who are supplying raw coal to coal processing plants for washing or sizing.</li> <li>For sale of coal, coal mining activities including associated processing infrastructure subject to the provisions of Coal Mines (Special Provisions) Act, 2015 and the Mines and Minerals (Development and Regulation) Act, 1957</li> </ul>	100%	Automatic
Mining and Mineral Separation of titanium bearing minerals and ores, its value addition and integrated activities	100%	Automatic

#### 4) PETROLEUM & NATURAL GAS –

Sector/Activity	% of FDI Cap	Entry Route
Exploration activities of oil and natural gas fields, infrastructure related to marketing of petroleum products and natural gas, marketing of natural gas and petroleum products, petroleum product pipelines, natural gas/pipelines, LNG Regasification infrastructure, market study and formulation and Petroleum refining in the private sector, subject to the existing sectoral policy and regulatory framework in the oil marketing sector and the policy of the Government on private participation in exploration of oil and the discovered fields of national oil companies.	100%	Automatic
Petroleum refining by the Public Sector Undertakings (PSU), without any disinvestment or dilution of domestic equity in the existing PSUs.	49%	Automatic

#### 5) MANUFACTURING –

- Foreign investment in 'manufacturing' sector is under automatic route.
- However, terms and conditions of FDI policy should be followed.

#### 6) DEFENCE –

Sector/Activity	% of FDI Cap	Entry Route
Defence Industry subject to Industrial license under the Industries (Development & Regulation) Act, 1951 and Manufacturing of small arms and ammunition under the Arms Act, 1959	100%	Automatic upto 74%. Beyond 74%, government approval is required

Conditions –

- ✓ Licence applications will be considered by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry, in consultation with Ministry of Defence and Ministry of External Affairs
- ✓ Security clearance from MHA should be obtained for FDI in defence sector.
- ✓ FDI in Defence Sector shall be subject to scrutiny.

## 7) BROADCASTING CARRIAGE SERVICES –

Sector/Activity	% of FDI Cap	Entry Route
<ul style="list-style-type: none"> <li>Teleports (setting up of uplinking HUBs/Teleports);</li> <li>Direct to Home (DTH);</li> <li>Cable Networks (Multi System operators (MSOs) operating at National or State or District level and undertaking upgradation of networks towards digitalization and addressability);</li> <li>Mobile TV;</li> <li>Headend-in-the Sky Broadcasting Service (HITS)</li> </ul>	100%	Automatic Route

## 8) BROADCASTING CONTENT SERVICES –

Sector/Activity	% of FDI Cap	Entry Route
<ul style="list-style-type: none"> <li>Terrestrial Broadcasting FM (FM Radio), subject to such terms and conditions, as specified from time to time, by Ministry of Information &amp; Broadcasting, for grant of permission for setting up of FM Radio stations</li> </ul>	49%	Government
<ul style="list-style-type: none"> <li>Up-linking of 'News &amp; Current Affairs' TV Channels</li> </ul>	49%	Government
<ul style="list-style-type: none"> <li>Uploading/Streaming of News &amp; Current Affairs through Digital Media</li> </ul>	26%	Government
<ul style="list-style-type: none"> <li>Up-linking of Non- 'News &amp; Current Affairs' TV Channels/ Down-linking of TV Channels</li> </ul>	100%	Automatic



### Conditions –

- FDI will be subject to terms and conditions specified by Ministry of Information and Broadcasting.
- The majority of Directors on the Board of the Company shall be Indian citizens.
- The CEO, Chief Officer in-charge of technical network operations and Chief Security Officer should be resident Indian citizens.

## 9) PRINT MEDIA –

Sector/Activity	% of FDI Cap	Entry Route
<ul style="list-style-type: none"> <li>Publishing of newspaper and periodicals dealing with news and current affairs</li> </ul>	26%	Government
<ul style="list-style-type: none"> <li>Publication of Indian editions of foreign magazines dealing with news and current affairs</li> </ul>	26%	Government
<ul style="list-style-type: none"> <li>Publishing/printing of scientific and technical magazines/specialty journals/ periodicals, subject to compliance with the legal framework as applicable and guidelines issued in this regard from time to time by Ministry of Information and Broadcasting.</li> </ul>	100%	Government
<ul style="list-style-type: none"> <li>Publication of facsimile edition of foreign newspapers</li> </ul>	100%	Government

#### 10) AIR TRANSPORT SERVICES –

Sector/Activity	% of FDI Cap	Entry Route
(a) Scheduled Air Transport Service*/ Domestic Scheduled Passenger Airline (b) Regional Air Transport Service	100%	Automatic up to 49% (Automatic up to 100% for NRIs) Government route beyond 49%
• Non-Scheduled Air Transport Services	100%	Automatic
• Helicopter services/seaplane services requiring DGCA approval	100%	Automatic

#### 11) OTHER SERVICES UNDER CIVIL AVIATION SECTOR –

Sector/Activity	% of FDI Cap	Entry Route
Ground Handling Services subject to sectoral regulations and security clearance	100%	Automatic
Maintenance and Repair organizations; flying training institutes; and technical training institutions.	100%	Automatic

#### 12) CONSTRUCTION DEVELOPMENT: TOWNSHIPS, HOUSING, BUILT-UP INFRASTRUCTURE

Sector/Activity	% of FDI Cap	Entry Route
Construction-development projects (which would include development of townships, construction of residential/commercial premises, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, townships)	100%	Automatic

#### 13) INDUSTRIAL PARKS –

Sector/Activity	% of FDI Cap	Entry Route
Industrial Parks -new and existing	100%	Automatic

#### 14) SATELLITES- ESTABLISHMENT AND OPERATION –

Sector/Activity	% of FDI Cap	Entry Route
Satellites- establishment and operation, subject to the sectoral guidelines of Department of Space/ISRO	100%	Automatic

#### 15) PRIVATE SECURITY AGENCIES –

Sector/Activity	% of FDI Cap	Entry Route
Private Security Agency	74%	Automatic up to 49% Government route beyond 49% and up to 74%

#### 16) TELECOM SERVICES –

Sector/Activity	% of FDI Cap	Entry Route
Telecom Services	74%	Automatic up to 49% Government route beyond 49% and up to 74%

#### 17) TRADING –

Sector/Activity	% of FDI Cap	Entry Route
Cash & Carry Wholesale Trading/Wholesale Trading	100%	Automatic

### 18) E-COMMERCE ACTIVITIES –

Sector/Activity	% of FDI Cap	Entry Route
E –Commerce Activities*	100%	Automatic

\* FDI is only allowed in Business to Business (B2B) e-commerce and not in Business to Consumer (B2C) e-commerce.

### 19) SINGLE BRAND PRODUCT RETAIL TRADING –

Sector/Activity	% of FDI Cap	Entry Route
Single Brand Product Retail Trading	100%	Automatic

### 20) MULTI BRAND RETAIL TRADING –

Sector/Activity	% of FDI Cap	Entry Route
Single Brand Product Retail Trading	51%	Government

### 21) DUTY FREE SHOPS –

Sector/Activity	% of FDI Cap	Entry Route
Duty Free Shop	100%	Automatic

### 22) RAILWAY INFRASTRUCTURE –

Sector/Activity	% of FDI Cap	Entry Route
Construction, operation and maintenance of the following: a) Suburban corridor projects through PPP, b) High speed train projects, c) Dedicated freight lines, d) Rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities, e) Railway Electrification, f) Signaling systems, g) Freight terminals, h) Passenger terminals, i) Infrastructure in industrial park pertaining to railway line/sidings including electrified railway lines and connectivities to main railway line and j) Mass Rapid Transport Systems.	100%	Automatic

### 23) BANKING- PRIVATE SECTOR –

Sector/Activity	% of FDI Cap	Entry Route
a) Banking- Private Sector	74%*	Automatic up to 49% Government route beyond 49% and up to 74%.

\* At all times at least 26% of the paid-up capital will have to be held by residents, except in regard to a wholly-owned subsidiary of a foreign bank.

### 24) BANKING- PUBLIC SECTOR –

Sector/Activity	% of FDI Cap	Entry Route
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a) Banking- Public Sector	20%	Government route
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## 25) CREDIT INFORMATION COMPANIES (CIC) –

Sector/Activity	% of FDI Cap	Entry Route
Credit Information Company	100%	Automatic route



### Conditions –

- 1) A single entity should directly or indirectly hold below 10% equity.
- 2) Any acquisition in excess of 1% will have to be reported to RBI as a mandatory requirement; and
- 3) FPIs investing in CICs shall not ask a representation on the Board of Directors based upon their shareholding.

## 26) INFRASTRUCTURE COMPANY IN THE SECURITIES MARKET –

Sector/Activity	% of FDI Cap	Entry Route
Infrastructure companies in Securities Markets, namely, stock exchanges, commodity exchanges, depositories and clearing corporations, in compliance with SEBI Regulations	49%	Automatic route

## 27) INSURANCE –

Sector/Activity	% of FDI Cap	Entry Route
Insurance Company	49%	Automatic route
Intermediaries – a) insurance brokers, b) insurance consultants, c) third party administrator, d) Surveyors and Loss Assessors	100%	Automatic route



### Conditions for insurance companies –

- 1) Indian company cannot accept FDI exceeding 49%
- 2) approval/verification of foreign investment should be done by IRDA.
- 3) Provisions of Insurance Act 1938 should be followed
- 4) Ownership and control of Indian insurance companies should be at all times with resident Indian entities

### Conditions for insurance intermediaries –

- 1) Same as condition for insurance companies except point 4
- 2) Additional conditions for insurance intermediary that has majority shareholding of foreign investors –  
  - a) It should be incorporated as limited company;
  - b) Chairman or CEO or MD or Principal officer shall be a resident Indian citizen;
  - c) Intermediary should take prior permission of the Authority for repatriating dividend;
  - d) Intermediary shall bring in the latest technological, managerial and other skills;
  - e) Intermediary shall make all the disclosures as per IRDA;

## 28) PENSION SECTOR –

Sector/Activity	% of FDI Cap	Entry Route
Pension Sector	49%	Automatic route

## 29) POWER EXCHANGES –

Sector/Activity	% of FDI Cap	Entry Route
Power Exchanges	49%*	Automatic route

\* No non-resident investor/entity, including persons acting in concert, will hold more than 5% of the equity in these companies;

## 30) OTHER FINANCIAL SERVICES –

Sector/Activity	% of FDI Cap	Entry Route
Financial Services activities regulated by financial sector regulators, viz., RBI, SEBI, IRDA, PFRDA, NHB or any other financial sector regulator as may be notified by the Government of India.	100%	Automatic route

## 31) PHARMACEUTICALS –

Sector/Activity	% of FDI Cap	Entry Route
Greenfield	100%	Automatic route
Brownfield	100%	Automatic up to 74% Government route beyond 74%