

100% FDI in pharma gets Cabinet's nod

PNS NEW DELHI

In what could be a big boost to the growing medical devices industry in the country, the Union Cabinet on Tuesday approved 100 per cent Foreign Direct Investment (FDI) in the sector via the automatic route.

Currently, FDI in pharma exists, albeit with certain riders. India currently imports over 70 per cent of medical devices.

"Easing of norms for medical devices industry by creating special carve out in the extant FDI policy on pharma sector will encourage FDI inflows in this area," said an official statement issued after the Union Cabinet meeting here.

The 100 per cent FDI, it added, will be permitted under the automatic route, meaning a foreign investor will not have to seek the permission of Foreign Investment Promotion Board (FIPB) to acquire an existing company or set up a new manufacturing unit in the medical devices sector.

Earlier, firms had to go through the Foreign Investment Promotion Board (FIPB) as medical devices came under the drug category. This automotive route will help companies receive approval way faster than earlier. The condition of non-

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compete clause' would also not be applicable to greenfield (new project) as well as brownfield projects (existing units) of this industry.

Sanjay Banerjee, from Advamed India Working Group said that the move will enable the industry to exponentially increase investment, innovation and manufacturing of the devices. It would also create an appropriate regulatory framework for medical devices, he added. Advamed is a global association with its members providing 40 per cent of medical technology used across the world.

In other Cabinet decisions, an improved Voluntary Retirement Scheme (VRS) for the employees of Central Inland Water Transport Corporation Limited (CIWTC) and disinvestment of CIWTC thereafter was approved. The VRS currently in vogue in CIWTC is under the existing Central DA

1996/ Industrial DA 1997 is not attractive to employees and, therefore, does not evince much interest from the existing workforce of CIWTC.

The Cabinet also approved transfer/exchange of 278 hectares of Indian Air Force (IAF) land comprising of 288.74 acres of Airports Authority of India (AAI) land in possession of IAF in lieu of 400 hectares of land offered by the Maharashtra Government for the development of the Nagpur airport project and simultaneous restoration of ownership of 288.74 acres of AAI land at present in possession IAF at Nagpur Civil Airport to AAI.

The Cabinet further gave its nod for amending section 23(1) and section 23(2)(i)(a) of the Andhra Pradesh Reorganisation Act, 2014 which proposes to increase the strength to 58 MLCs from current strength of 50 MLCs.

FDI / Govt.