Consolidated FDI policy

Agenda

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FDI policy in India - Overview

Foreign Direct Investment (FDI)

- Undertaken in accordance with the FDI Policy which is formulated and announced by the Government of India. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India issues a "Consolidated FDI Policy Circular " on an yearly basis on March 31 of each year (since 2010) elaborating the policy and the process in respect of FDI in India.
- The latest "Consolidated FDI Policy Circular" dated April 17,2014 is available in public domain and can be downloaded from the website of Ministry of Commerce and Industry.

Entry routes for investments in India

Under the Foreign Direct Investments (FDI) Scheme, investments can be made in shares, mandatorily and fully convertible debentures and mandatorily and fully convertible preference shares of an Indian company by non-residents through two routes:

- **Automatic Route**: Under the Automatic Route, the foreign investor or the Indian company does not require any approval from the Reserve Bank or Government of India for the investment.
- **Approval Route**: Under the Government Route, the foreign investor or the Indian company should obtain prior approval of the Government of India (Foreign Investment Promotion Board (FIPB), Department of Economic Affairs (DEA), Ministry of Finance or Department of Industrial Policy & Promotion, as the case may be) for the investment.

FDI policy in India - Overview

FEMA Notification and RBI Circulars

- The FEMA 1999 and FEMA Notification No. 20 is statutory framework / legal edifice which enacts PNs
- RBI's Master Circular (issued 1 July and now updated from time to time), FAQs and Regular Circulars
- Impact of other laws e.g. Insurance, PSRA, etc.

Portfolio Investment Schemes under FEMA (Notification No. 20)

- Portfolio Scheme is for NRIs, FIIs, QFIs, FVCI is distinct though they can also invest under FDI Scheme

Automatic route

- India's FDI rules have been substantially **liberalized** over the past 2 decades.
- Most sectors are now open to 100% FDI, meaning thereby, that the foreign companies **do not need a prior approval for investment either by the Government or the Reserve Bank of India**. The investors are only required to intimate the Regional office concerned of the Reserve Bank within 30 days of receipt of inward remittance.
- The investors are also required to file necessary documents within 30 days of issue of shares. **The following documents need to be filed with the RBI**:
  - name of the collaborators/ promoters/ shareholders
  - details of allotment
  - copy of the foreign collaboration agreement
  - the original foreign inward remittance certificate from the authorized dealer and other information
- In certain sectors, sectoral caps include FDI+ FIIs + other forms of foreign investments
- Performance and capital related conditions in many sectors (e.g. Development / Construction, NBFC, etc.)
- Cases covered
  - Issues of shares against inward remittance through banking channel into Indian Company,
  - NRE/ FCNR account for NRIs
  - Conversion of External Commercial Borrowings
  - Issue of shares against payables towards lump-sum know-how / technical Royalties

Automatic route

- Issues of shares on merger / amalgam Issues of shares on merger / amalgamation / demerger of Indian companies / demerger of Indian companies
- Issue of bonus / rights

- **Below mentioned are the sectors where automatic route for foreign investment is available:**
  - Manufacturing sector
  - Floriculture, etc. & Animal Husbandry
  - Mining, Petroleum & Natural Gas
  - Courier Services
  - Air Transport Services
  - Cash & carry / Wholesale Trading / B2B Ecommerce
  - IT / ITES / SEZs
  - Insurance
  - Development of housing, etc.
  - Single Brand Retail Trading (up to 49%)
  - Infrastructure / Shipping
  - Hotels and Tourism
  - Pharmaceuticals – Greenfield
  - NBFC (minimum capitalization norms)
  - Telecommunications upto 49%

Automatic route

Automatic Route not available to:

- Un-incorporated Non-Resident Entities
- Citizens / Entities incorporated in Pakistan and Bangladesh
  - FDI from Pakistan allowed under Approval Route subject to certain sectoral restrictions
- Other cases
  - Transfer of shares to Non-Residents in regulated sectors / in certain cases and situations
- Industrial License condition is an independent requirement and also relevant for FDI
- Special cases of erstwhile Overseas Corporate Body – prior RBI approval required in most cases
- Includes issue of shares under FCCB / ADR / GDR –
  - As per stipulated schemes / post MoF approval

Approval route

There are certain activities that are not covered under the automatic route and that require prior Government approval and are considered by the Foreign Investment Promotion Board (FIPB). Following list include the activities for which automatic route for foreign investment is not available:

- Tea plantations
- Defense beyond 49%
- Existing Airports beyond 74%
- Broadcasting
- Print media beyond 26%
- Single Brand Retail Trading beyond 49%
- Multi Brand Retail Trading beyond 51%
- Telecommunication beyond 49%
- Pharmaceuticals Brownfield
- Private Security Agencies beyond 49%

Other general cases of Approval Routes

- Cases of investment by specified individuals / entities (Bangladesh / Pakistan, etc.)
- Swap of shares i.e. Inbound + Outbound
- Issue of warrants / Partly Paid up Shares
- Issue of equity / convertible instruments against Import of new capital goods subject to conditions: - FIPB application within 180 days from shipment of goods

Approval route

- Issue of equity / convertible instruments against Pre-operative and pre-incorporation expenses subject to conditions - payment by foreign investor to company directly or though FEMA compliant bank account of the foreign investor
- FDI in Domestic VCF in the nature of Trust
- FDI in an Indian Company which just has or proposes Downstream Investments (Holding Company)

Constitution of the FIPB, Department of Economic Affairs, Ministry of Finance

- Secretary to Government, Department of Economic Affairs, Ministry of Finance – Chairperson
- Secretary to Government, Department of Industrial Policy & Promotion, Ministry of Commerce & Industry
- Secretary to Government, Department of Commerce, Ministry of Commerce & Industry
- Secretary to Government, Economic Relations, Ministry of External Affairs
- Secretary to Government, Ministry of Overseas Indian Affairs.
- The Board can co-opt other Secretaries to the Central Government and top officials of financial institutions, banks and professional experts of Industry and Commerce per requirements

Levels of Approvals for Cases under the FIPB / Government Route

- Minister of Finance (as in-charge of FIPB) considers the recommendations of FIPB on FDI proposals below Rs. 1200 Cr and cases exceeding the said ceilings placed for consideration of Cabinet Committee on Economic Affairs (CCEA).
- The CCEA also considers the proposals which may be referred to it by the FIPB/the Minister of Finance

Negative list

Below mentioned are the sectors which are under the negative list where neither automatic route nor approval route is available:

- Business of chit fund,
- Nidhi company,
- Agricultural or plantation activities,
- Real estate business, or construction of farm houses,
- Trading in Transferable Development Rights (TDRs)
- Lottery Business including Government /private lottery, online lotteries, etc.
- Gambling and Betting including casinos etc.
- Manufacturing of Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
- Activities / sectors not open to private sector investment e.g. Atomic Energy and Railway Transport (other than Mass Rapid Transport Systems)

Instruments available for FDI

- As per the FDI Policy, FDI can be routed into Indian investee companies by using equity shares, Compulsorily Convertible Debentures (“CCDs”) and Compulsorily Convertible Preference Shares (“CCPS”).
- Debentures which are not CCDs or optionally convertible instruments are considered to be ECB and therefore, are governed by clause (d) of sub-section 3 of section 6 of FEMA read with Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations, 2000 as amended from time to time.
- Since, these CCPS and CCDs are fully and mandatorily convertible into equity, they are regarded at par with equity shares and hence the same are permissible as FDI. Further, for the purpose of minimum capitalization, in case of direct share issuance to non-residents, the entire share premium received by the Indian company is included. However, in case of secondary purchase, only the issue price of the instrument is taken into account while calculating minimum capitalization.
- Table presented on next slide gives a brief comparative analysis for Equity, CCPS and CCDs

Recent introduction - Optionality clauses for Equity, CCPS and CCDs

- Minimum lock-in period of one year or that prescribed under FDI policy whichever is higher
- Lock-in period to start from the date of allotment of the instruments or as prescribed in the FDI Policy
- Option / right to exit to be without any assured return
- Exit for Shares / CCDs of Listed Company - Ruling market price / stock exchange for listed company;
- Exit for equity shares of unlisted company based on Return on Equity Method (PAT/Net-worth) and for CCPS and CCDS as per any internationally accepted pricing methodology

Instruments available for FDI

Particulars	Equity shares	Compulsory convertible prefernce shares (CCPS)	Compulsory convertible debentures (CCD)
Basic character	Participation in governance and risk based returns	Assured Dividend – Convertible into Equity	Assured Coupon – Convertible into Equity
Liability to Pay	Dividend can be declared only out of profits	Fixed dividend if profits accrue	Fixed Interest payment - not dependent on accrual of profits
Limits to Payment	No cap on dividend	Dividend on CCPS cannot exceed 300 basis points over and above the prevailing SBI prime lending rate in the financial year in which CCPS is issued. No legal restriction on interest on CCD.	
Tax Efficiency	No tax deduction, dividend payable from post tax income - Dividend taxable @ 15% in the hands of the company		Interest expense deductible – Withholding tax as high as 40% but it can be reduced to 5% if investment done from favourable jurisdiction
Liquidation Preference	CCD ranks higher than CCPS in terms of liquidation preference. Equity gets the last preference.		
Others	Buy-back or capital reduction permissible	CCPS and CCDs need to be converted to equity before they can be bought back or extinguished by the Indian company.	

FDI pricing requirement

RBI has recently notified new pricing guidelines for Foreign Direct Investment (FDI) in India - Issue/Transfer of Shares or Convertible Debentures, vide notification number A. P. (DIR Series) Circular No. 4 dated 15th July, 2014.

As per the revised guidelines the price for unlisted companies the fair valuation of shares will be done as per any internationally accepted pricing methodology for valuation of shares on arm's length basis, duly certified by a Chartered Accountant or a SEBI registered Merchant Banker.

Existing Provision	New provision
Issue of Shares to non-residents	**Issue of Shares to non-residents**
the fair valuation of shares done by a SEBI registered Category - I Merchant Banker or a Chartered Accountant as per the discounted free cash flow method, where the shares of the company is **not listed** on any recognised stock exchange in India	the fair valuation of shares done as per any internationally accepted pricing methodology for valuation of shares on arm's length basis, duly certified by a Chartered Accountant or a SEBI registered Merchant Banker where the shares of the company are **not listed** on any recognised stock exchange in India
Transfer by Resident to Non-resident	**Transfer by Resident to Non-resident**
where the shares of an Indian company are not listed on a recognized stock exchange in India, the transfer of shares shall be at a price not less than the fair value to be determined by a SEBI registered Category – I - Merchant Banker or a Chartered Accountant as per the discounted	where the shares of an Indian company are not listed on a recognized stock exchange in India, the transfer of shares shall be at a price not less than the fair value worked out as per any internationally accepted pricing methodology for valuation of shares on arm's length basis which should be duly certified by a Chartered Accountant or a SEBI registered Merchant Banker
Transfer by Non-resident	**Transfer by Non-resident**
Price of shares transferred by way of sale, by non-resident to resident shall not be more than the minimum price at which the transfer of shares can be made from a resident to a non-resident as given above	**No Change in the existing clause**

FDI pricing requirement

Exit Clause	Exit Clause
In case of unlisted company, the non-resident investor shall be eligible to exit from the investment in equity shares of the investee company at a price not exceeding that arrived at on the basis of Return on Equity (RoE) as per the latest audited balance sheet. Any agreement permitting return linked to equity as above shall not be treated as violation of FDI policy/FEMA Regulations. Note: For the above purpose, RoE shall mean Profit After Tax / Net Worth; Net Worth would include all free reserves and paid up capital. (iii) Investments in Compulsorily Convertible Debentures (CCDs) and Compulsorily Convertible Preference Shares (CCPS) of an investee company may be transferred at a price worked out as per any internationally accepted pricing methodology at the time of exit duly certified by a Chartered Accountant or a SEBI registered Merchant Banker. The guiding principle would be that the non-resident investor is not guaranteed any assured exit price at the time of making such investment/agreement and shall exit at the price prevailing at the time of exit, subject to lock-in period requirement, as applicable.	In case of an unlisted company, the non-resident investor shall be eligible to exit from the investment in equity shares, Compulsorily Convertible Debentures (CCDs) and Compulsorily Convertible Preference Shares (CCPS) of the investee company at a price not exceeding that arrived at as per any **internationally accepted pricing methodology** on arm’s length basis, duly certified by a Chartered Accountant or a SEBI registered Merchant Banker. The guiding principle would be that the non-resident investor is not guaranteed any assured exit price at the time of making such investment/agreements and shall exit at the fair price computed as above at the time of exit, subject to lock-in period requirement, as applicable

Right and bonus issue

Rights issues

- For listed company – issue price at the price determined by the Company
- For Unlisted Company - at the same price at which shares are issued to Resident shareholders and Non-Resident can also subscribe to unsubscribed portion from the overall issue subject to the sectoral cap.
- To issue right shares to OCBs, prior approval of RBI is required.

Bonus Shares

- Bonus issues are under general permission subject to compliance with sectoral Cap under FDI policy
- Compliance of other applicable statutes / company law provisions
- RBI Circular No. 84 dated 6 Jan 2014 permits Indian Companies to issue non-convertible / redeemable preference shares / debentures to non-resident by way of bonus from its general reserve under a Scheme of Arrangement approved by a Court in India subject to no objection from the Income Tax Authorities

Key reporting / compliance requirements

Issue of Shares - Intimation to Reserve Bank of India through Banker / Authorized Dealer

- Receipt of FDI / share application money – within 30 days from receipt - KYC of overseas investor in prescribed format required from remitting overseas bank
- Issue of shares / convertible instruments - Report to RBI in Form FC-GPR within 30 days from issue of shares / CCDs along with prescribed documents (CA /Merchant Banker - fair valuation report) - Shares / convertible instruments to be issued within 180 days from the date of receipt of funds
- RBI allots UIN No. for initial intimation and Registration No. for allotment / issues
- Reporting obligation also for issue Rights and Bonus Shares

Transfer of shares between Residents and Non-Residents

- Form FC-TRS formalities through AD / Banker within 60 days from receipt of consideration

Reporting for downstream investments to Government / DIPP

- Within 30 days from downstream investments in stipulated format / per conditionality's specified

Filing of Annual Return on Foreign Liabilities / Assets with RBI by 15 July every year

Key issues in reporting / compliance requirements

Key issues

- KYC and documentation if funds received from entity than foreign investors
- KYC in case of nominees if funds received / not received from nominees
- Obtaining FIRC from AD banks and description therein
- Time taken by AD-Bank to peruse the documents
- Date of fair valuation certificate (sometime on format, contents, etc.)
- Reconciling of past issue / transfer of shares
- Appropriateness of object clause and other clauses in the Memorandum of Association
- Determining correct NIC Codes
- Changes in AD Bank post receipt of funds but before issue of shares
- Interpretation sectoral aspects with AD-Banks
- Conversion of ECB – whether interest due covered?

General permissions

Issue & acquisition of shares after merger / amalgamation / de-merger of Indian Companies

- General permission for issue of shares under merger / amalgamation / de-merger of Indian Companies
- Issue of shares subject to compliance with sectoral Cap under FDI policy
- FC-GPR Reporting obligation prescribed within 30 days of issue

Pledge of Shares

- Residents Promoters of Indian company can pledge shares to non-residents in the course of raising ECB
- Non-Residents can pledge shares of an Indian Company in favor of AD-Bank to secure credit facilities for the resident Indian Investee Company for its business purposes
- Non-Residents can pledge shares of an Indian Company in favor of an Overseas Bank to secure credit facilities for the non-resident investor / overseas group company subject to conditions

General Permission for transfer of shares and CCDs

- Person Resident Outside India (PROI) (other than NRI/OCB) to any PROI (including NRI) by way of sale / gift
- NRIs to NRIs by way of sale / gift
- PROI to PRI by way of gift
- PROI to PRI by way of sale - subject to sectoral policy, valuation and filings (FC-TRS)
- PRI to PROI by way of sale - subject to sectoral policy, valuation and filings (FC-TRS)
- Sale by PROI on the Recognized Stock Exchange at prevailing price
- Transfer of shares includes buy-back / reduction of capital (PROI to PRI)

General permissions

Other points

- General permission for transfer available even if Indian company’s activities earlier fell under approval route but now are under automatic route
- Form FC-TRS to be submitted to AD-Bank within 60 days from receipts of funds and onus is on transferee / transferor PRI though FC-TRS to be signed by PROI (buyer / seller)
- Indian company can record transfer only post approval of Form-FC TRS by AD-Bank
- Inward remittances subject to KYC checks

Acquisition on Stock Exchange and Escrow

FDI / acquisition on Stock Exchange through a registered broker

- Eligible PROI who has acquired and holds control in accordance with SEBI Regulations
- sectoral policy, entry route conditions, etc. to be complied with
- Escrow arrangement includes acquisition through dividends entitlements from the Indian Company
- One of the requirements under RBI guidelines for transfer of share from R to NR is copy of brokers note if the acquisition is on stock exchange

Escrow Arrangements

- AD Bank given permission to allow Escrow Account and Special Account for open offers, exit offers and delisting of shares as per SEBI Guidelines
- AD Bank given permission to allow non-interest bearing Escrow in India in INR on behalf of NR / R towards payment of issue of share / CDDS or consideration relating to transfer of shares / CCDs
  - Fresh issue as well as transfer of shares cases eligible
  - Refund / unwinding of escrow also permissible
  - Escrow period is six months and various other conditions stipulated

Transfer of shares / CCDs from NR to R

Non-resident to Resident where pricing guidelines under FEMA are not met:

- Original and resultant investments are in line with FDI policy ,within the sectoral caps, conditionality's and reporting requirements are complied with
- Pricing for the transaction is compliant with SEBI guidelines such as IPO, Book Building, Block Deals, Delisting, Exit, Open Offer and Buy-Back Guidelines
- CA certificate to the effect that the pricing norms have been complied with has been attached with Form FC TRS
- Transfer under any other regulations then SEBI where FEMA pricing guidelines not met requires prior RBI approval
- AD Banks can also give guarantee on behalf of non-residents for acquiring shares / CCDs as per open offer/ delisting / exit offers as per SEBI regulations subject to a counter guarantee of a bank of international repute

Transfer of shares / CCDs from R to NR

General permission for transfer of shares / CCDs from R to NR

- Transfer of shares requires prior FIPB approval which has been obtained and pricing as well as documentation guidelines are complied with
- Transfer as per SEBI guidelines subject to adherence with pricing guidelines and documentation requirements
- Transfer where FEMA pricing guidelines not met but:
  – Original and resultant investments are in line with FDI policy ,within the sectoral caps, conditionality's and reporting requirements are complied with
  – Pricing for the transaction is compliant with SEBI guidelines [such as IPO, book building, block deals, delisting, open / exit offer, substantial acquisition / SEBI]
  – CA certificate that the pricing norms have been complied with has been attached with Form FC-TRS
- Transfer where the investee Indian company is in the financial service sector provided that:
  – From 11 October 2013, ‘fit and proper due diligence’ requirements as regards non-resident investor as stipulated by financial sector regulator have been complied with [Earlier NOCs were prescribed from Regulators of all three constituents]
  – The FDI policy and FEMA regulations in terms of sectoral caps, conditionality's, reporting requirements, documentation etc., are complied with.

Transfer of shares / CCDs between R to NR

Transfers requiring prior approval of the RBI

- Transfer of Shares / CCDs between R to NR for deferred payment of amount of consideration
- Gift of securities from PRI to PROI
  - Transferor (Donor) and Transferee (Donee) are close relatives – Companies Act
  - Gift of shares is within 5% paid-up capital of the Indian Company or each series of Debentures / Mutual Fund
  - Eligibility in accordance with Schedule I, 4 and 5 of FEMA
  - There is no breach of sectoral conditions
  - Value of security does not exceed USD 50,000 per financial year or its equivalent
- Transfer of shares from NRI to NR
  - Key issue – significance of fair valuation where shares are held on Non-Repatriation basis?

Control & Ownership

In sectors/activities with caps, including inter-alia defence production, air transport services, ground handling services, asset reconstruction companies, private sector banking, broadcasting, commodity exchanges, credit information companies, insurance, print media, telecommunications and satellites, Government approval/FIPB approval would be required in all cases where:

- An Indian company is being established with foreign investment and is not owned by a resident entity or
- An Indian company is being established with foreign investment and is not controlled by a resident entity or
- The ownership of an existing Indian company, currently owned or controlled by resident Indian citizen and Indian companies, which are owned or controlled by resident Indian citizen, will be/ is being transferred on to a non-resident entity as a consequence of transfer of shares and / or fresh issue of shares to NR entities through amalgamation, merger / demerger, acquisition etc.
- It is clarified that these guidelines will not apply to sector / activities where there are no foreign investment caps, that is, 100% foreign investment is permitted under the automatic route.
- It is also clarified that foreign investment shall include all types of foreign investment i.e. FDI, FPI, QFI, MRI, ADR, GDR, FCCB, CCD and CCPS.

Downstream Investments

- Downstream investment by an Indian company, which is not owned / controlled by resident entity, into another Indian company, would be in accordance with the relevant sectoral conditions on entry route, conditionality's and caps.
- **Downstream investments by Indian companies will be subject to the following conditions:**
  - Such a company is to notify DIPP and FIPB of its downstream investment within 30 days of such investment;
  - Downstream investment by way of induction of foreign equity in an existing Indian Company to be duly supported by a resolution of the Board of Directors as also a shareholders agreement, if any;
  - Issue/transfer/pricing/valuation of shares shall be in accordance with applicable SEBI/RBI guidelines;
  - For the purpose of downstream investment, the Indian companies making the downstream investments would have to bring in requisite funds from abroad and not leverage funds from the domestic market. This would, however, not preclude downstream companies, with operations, from raising debt in the domestic market. Downstream investments through internal accruals are permissible.

FDI in LLP

FDI permitted in LLP with prior FIPB approval

- Allowed only in sectors where 100% FDI is permitted under Automatic Route and there are no FDI-linked performance related conditions – Thus, not allowed where FDI is under Approval Route or Sector policy is applicable
- Examples of sectors with FDI-linked performance related conditions are NBFC, Development of Townships, Housing, Built up infrastructure and Construction-development projects, etc.
- Downstream investment by an Indian Company with FDI, into a LLP permitted, if Indian company and LLP both operate as above i.e. Automatic Route with no FDI-Linked performance related conditions – per RBI guidelines onus is on LLP for compliance of this condition

Important points

- FDI in LLP not permitted in Agricultural / Plantation activity, Print Media and Real Estate business
- Investments in LLP by FII / FVCI not permitted
- Designated Partner to be Indian company or person resident in India
- Capital contribution only in cash by way of inward remittances / through NRE / FCNR accounts
- No downstream investment by LLP with FDI permitted
- LLP not permitted to avail External Commercial Borrowings (ECB)
- Conversion of Company with FDI into LLP permitted

LLP – FEMA / RBI Guidelines

Eligible Investors

- A person resident outside India or an entity incorporate outside India except a citizen / entity of Pakistan and Bangladesh and SEBI registered FIIs, FVCI, QFIs.

Eligible Investments

- Contribution to the Capital is an eligible investment
  - Inward remittance or NRE / FCNR for NRIs
- Investment by way of profit share will be reinvestment of earnings.

Pricing for investment / acquisition / transfer

- Any valuation norm as per internationally accepted / adopted as per market practice
- Certificate by CA or Cost Accountant or by an approved valuer from central Government panel

Other Conditions

- Designated partner – corporate or individual needs to be resident under FEMA
- Designated partner is liable for penalty for LLP's contraventions
- Conversion of Company with FDI, into LLP, will be allowed

Key sectoral issues

Wholesale Trading (WT)

- WT to group companies taken together should not exceed 25% of the total turnover of the wholesale venture
- Group Company – two or more enterprises which, directly or indirectly, are in position to :
  - exercise 26% or more voting rights in other enterprise; or
  - appoint more than 50%, of members of Board of Directors in other enterprise.

Single Brand Retail Trading

- For FDI beyond 51%, mandatory sourcing of at least 30% of the value of products sold would have to be preferably done from Indian small industries/ village and cottage industries, artisans and craftsmen, MSME, etc.
  - Interpretation of the term “Preferable sourcing”
  - What if conditions not met in stipulated period?
- Confusion of whether wholesale Trading and SBRT can be permitted in the same Indian Investee Company?
- Retail trade through e-commerce not permitted

Key sectoral issues

Multi-Brand Retail Trading – the wait continues!

- FDI at 51% under Approval Route - several conditions : minimum FDI of USD 100 mn
- 30% local sourcing from small industries, 50 % of the foreign investment to be invested in back-end infrastructure, etc.
- Few states retail FDI policy reversal – Law Ministry approached
- Retail trade through e-commerce not permitted

Pharmaceutical Sector

- No clear / specific guidance on what is Brownfield and approval parameters
- PN 1 dated 8 January 2014 stipulates that non-compete clause will be allowed only in special circumstances
- Aforesaid PN moots that Government can incorporate conditions in Brownfield cases a the time of granting approval

Real Estate

- Exits for various abandoned projects in recent scenario?

NBFC Minimum Capitalization norms

- Relaxation in recent recession / economic scenario?

Q & A