

		<p>For FDI above 51% and upto 75% - US \$ 5 million to be brought upfront</p> <p>For FDI above 75% and upto 100% - US \$ 50 million out of which US \$ 7.5 million to be brought upfront and the balance in 24 months</p> <p>100% NBFC Holding Company with a minimum capital of US \$ 50 million allowed to set up a 100% downstream subsidiary to undertake specific NBFC activities. Such a subsidiary, however, could be required to dis-invest its equity to the minimum extent of 25%, through a public offering only, within a period of three years.</p> <p>c. <u>Minimum capitalisation norms for non-fund based activities:</u></p> <p>Minimum capitalisation norm of US \$ 0.5 million is applicable in respect of all permitted non-fund based NBFCs with foreign investment.</p> <p>The automatic route is not available.</p>
2.	Civil Aviation (detailed guidelines have been issued by Ministry of Civil Aviation)	<p>In the domestic Airlines sector:</p> <ul style="list-style-type: none"> i. FDI upto 40% permitted subject to no direct or indirect equity participation by foreign airlines is allowed. ii. 100% investment by NRIs/OCBs. iii. The automatic route is not available.
3.	Telecommunication	<ul style="list-style-type: none"> i. In basic, Cellular Mobile, paging and Value Added service, and Global Mobile Personal Communications by Satellite, FDI is limited to 49% subject to grant of licence from Department of Telecommunications and adherence by the companies (who are investing and the companies in which investment is being made) to the licence conditions for foreign equity cap and lock in period for transfer and addition of equity and other licence provisions. ii. No equity cap is applicable to manufacturing activities. iii. FDI upto 100% is allowed for the following activities in the telecom sector : <ul style="list-style-type: none"> a. ISPs not providing gateways (both for satellite and

		<p>following:</p> <ol style="list-style-type: none"> a. Development of serviced plots and construction of built up residential premises b. Investment in real state covering construction of residential and commercial premises including business centres and offices c. Development of townships d. City and regional level urban infrastructure facilities, including both roads and bridges e. Investment in manufacture of building materials f. Investment in participatory ventures in (a) to (e) above g. Investment in housing finance institutions
6.	Coal and Lignite	<ol style="list-style-type: none"> i. Private Indian companies setting up or operating power projects as well as coal or lignite mines for captive consumption are allowed FDI upto 100%. ii. 100% FDI is allowed for setting up coal processing plants 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. iii. FDI upto 74% is allowed for exploration or mining of coal or lignite for captive consumption. iv. In all the above cases, FDI is allowed upto 50% under the automatic route subject to the condition that such investment shall not exceed 49% of the equity of a PSU.
7.	Venture Capital Fund(VCF) and Venture Capital Company(VCC)	<p>An offshore venture capital company may contribute upto 100% of the capital of a domestic venture capital fund and may also set up a domestic asset management company to manage the fund.</p> <p>VCFs and VCCs are permitted upto 40% of the paid up corpus of the domestic unlisted companies. This ceiling would be subject to relevant equity investment limit in force in relation to areas reserved for SSI. Investment in a single company by a VCF/VCC shall not exceed 5% of the paid-up corpus of a domestic VCF/VCC.</p> <p>The automatic route is not available.</p> <p>(a) Offshore Venture Capital Funds/Companies are allowed to invest in domestic venture capital undertakings as well as other companies</p>

		through the automatic route, subject only to SEBI regulations and sector specific caps on FDI.
8.	Trading	<p>Trading is permitted under automatic route with FDI upto 51% provided it is primarily export activities, and the undertaking is an export house/trading house/super trading house/star trading house. However, under the FIPB route:-</p> <ol style="list-style-type: none"> i. 100% FDI is permitted in case of trading companies for the following activities: <ul style="list-style-type: none"> • exports; • bulk imports with export/ex-bonded warehouse sales; • cash and carry wholesale trading; • other import of goods or services provided at least 75% is for procurement and sale of goods and services among the companies of the same group and for third party use or onward transfer/distribution/sales. ii. The following kinds of trading are also permitted, subject to provisions of EXIM Policy: <ol style="list-style-type: none"> a. Companies for providing after sales services (that is no trading per se) b. Domestic trading of products of JVs is permitted at the wholesale level for such trading companies who wish to market manufactured products on behalf of their joint ventures in which they have equity participation in India. c. Trading of hi-tech items/items requiring specialised after sales service d. Trading of items for social sector e. Trading of hi-tech, medical and diagnostic items. f. Trading of items sourced from the small scale sector under which, based on technology provided and laid down quality specifications, a company can market that item under its brand name. g. Domestic sourcing of products for exports. h. Test marketing of such items for which a company has approval for manufacture provided such test marketing facility will be for a period of two years, and investment in setting up manufacturing facilities commences simultaneously with test marketing. i. FDI upto 100% permitted for e-commerce activities subject to the condition that such companies would divest 26% of their equity in favour of the Indian public in five years, if

		these companies are listed in other parts of the world. Such companies would engage only in business to business (B2B) e-commerce and not in retail trading.
9.	Investing companies in infrastructure/service sector	In respect of the companies in infrastructure/service sector, where there is a prescribed cap for foreign investment, only the direct investment will be considered for the prescribed cap and foreign investment in an investing company will not be set off against this cap provided the foreign direct investment in such investing company does not exceed 49% and the management of the investing company is with the Indian owners. The automatic route is not available.
10.	Atomic energy	<p>The following three activities are permitted to receive FDI/NRI/OCB investments through FIPB (as per detailed guidelines issued by Department of Atomic Energy vide Resolution No.8/1(1)/97-PSU/1422 dated 6.10.98):</p> <ol style="list-style-type: none"> a. Mining and mineral separation b. Value addition per se to the products of (a) above c. Integrated activities (comprising of both (a) and (b) above. <p>The following FDI participation is permitted:</p> <ol style="list-style-type: none"> a. Upto 74% in both pure value addition and integrated projects. ii. For pure value addition projects as well as integrated projects with value addition upto any intermediate stage, FDI is permitted upto 74% through joint venture companies with Central/State PSUs in which equity holding of at least one PSU is not less than 26%. iii. In exceptional cases, FDI beyond 74% will be permitted subject to clearance of the Atomic Energy Commission before FIPB approval.
11.	Defence and strategic industries	No FDI/NRI/OCB investment is permitted
12.	Agriculture (including	No FDI/NRI/OCB investment is permitted

	plantation)	
13.	Print media	No FDI/NRI/OCB investment is permitted
14.	Broadcasting	No FDI/NRI/OCB investment is permitted
15.	Power	Upto 100% FDI allowed
16.	Drugs & Pharmaceuticals	<p>i. FDI upto 74% in the case of bulk drugs, their intermediates and formulations (except those produced by the use of recombinant DNA technology) would be covered under automatic route.</p> <p>ii. FDI above 74% for manufacture of bulk drugs will be considered by the Government on case to case basis for manufacture of bulk drugs from basic stages and their intermediates and bulk drugs produced by the use of recombinant DNA technology as well as the specific cell/tissue targeted formulations provided it involves manufacturing from basic stage.</p>
17.	Roads & Highways, Ports and Harbours.	FDI upto 100% under automatic route is permitted in projects for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular tunnels, ports and harbours.
18.	Hotels & Tourism	<p>100% FDI is permissible in the sector.</p> <p>The term hotels include restaurants, beach resorts, and other tourist complexes providing accommodation and/or catering and food facilities to tourists. Tourism related industry includes travel agencies, tour operating agencies and tourist transport operating agencies, units providing facilities for cultural, adventure and wild life experience to tourists, surface, air and water transport facilities to tourists, leisure, entertainment, amusement, sports, and health units for tourists and Convention/Seminar units and organisations.</p> <p>Automatic route is available upto 51% subject to the following parameters.</p> <p>For foreign technology agreements, automatic approval is granted if</p> <p>i. upto 3% of the capital cost of the project is proposed to be paid for technical and consultancy services including fees for</p>

		<p>architects, design, supervision, etc.</p> <p>ii. upto 3% of net turnover is payable for franchising and marketing/publicity support fee, and</p> <p>iii. upto 10% of gross operating profit is payable for management fee, including incentive fee.</p>
19.	Mining.	<p>i. For exploration and mining of diamonds and precious stones FDI is allowed upto 74% under automatic route.</p> <p>ii. For exploration and mining of gold and silver and minerals other than diamonds and precious stones, metallurgy and processing FDI is allowed upto 100% under automatic route.</p> <p>iii. Press Note No. 18 (1998 series) dated 14.12.98 would not be applicable for setting up 100% owned subsidiaries in so far as the mining sector is concerned, subject to a declaration from the applicant that he has no existing joint venture for the same area and / or the particular mineral.</p>
20.	Postal services	Couriers carrying packages, parcels and other items which do not come within the ambit of Indian Post Office Act 1998 shall not be permitted.
21.	Pollution Control and management	FDI upto 100% in both manufacture of pollution control equipment and consultancy for integration of pollution control systems is permitted under automatic route.
22.	Advertising and films	<p>Automatic approval is available for the following:</p> <ul style="list-style-type: none"> • Upto 74% FDI in advertising sector • Upto 100% FDI in film industry (i.e. film financing, production, distribution, exhibition, marketing and associated activities relating to film industry) subject to the following: <ul style="list-style-type: none"> i. Companies with an established track record in films, TV, music, finance and insurance would be permitted. ii. The company should have a minimum paid up capital of US \$ 10 million if it is the single largest equity shareholder and at least US \$ 5 million in other cases. iii. Minimum level of foreign equity investment would be US \$ 2.5 million for the single largest equity shareholder and US \$ 1 million in other cases. iv. Debt equity ratio of not more than 1:1, i.e., domestic borrowings shall not exceed equity.