Subject: Amendments to the Industrial Entrepreneurs Memorandum.

In terms of Press Note Number 22 (1991 Series) dated 24th December, 1991, no amendments/modifications can be made in the Industrial Entrepreneurs Memorandum (IEM) already filed and acknowledged in the Secretariat of Industrial Assistance (SIA), except for clerical errors in the acknowledgment. Whenever any correction or amendment is sought to be made in the IEM, the entrepreneur is required to submit a fresh memorandum for issue of fresh acknowledgment. In terms of Press Note No.6 (1993 Series) dated 29th July, 1993, an IEM is deleted from the records of SIA, if on scrutiny, it is found that the proposal contained in any IEM is not exempted from licensing.

2. Many entrepreneurs have represented that since an IEM once filed is not serviced for any amendment/modifications thereafter, they face hardship in cases where after initial filing of IEM, any of the project parameters like the location, the name of the company, the items and capacities proposed to be manufactured etc. undergo change, as a result of which for the same investment proposal, they have to file multiple IEMs.

3. The matter has been considered in the Government. It has now been decided that IEMs filed in the new form made effective from 1st July, 1998, and notified through Press Note No.4 (1998 Series) dated 15.6.98, would be amended/modified as per the request of the entrepreneurs. The amendments would be subject to the terms and conditions spelt out in Press Note No.17 (1997 Series) dated 27th November, 1997 with reference to the Statutes/regulations/notifications issued by the Central and State Governments issued from time to time.

F. No.10(14)/98-IP

New Delhi, the 20th July, 1998

Forwarded to Press Information Bureau for wide publicity to the contents of the above Press Note.

Sd/-

(Ashok Kumar)

Joint Secretary to the Govt. of India

Press Information Officer
Press Information Bureau
New Delhi.
In the Press Note No. 13(1997 Series) issued by this Department on 5th September, 1997 "Forex Banking" was included in the list of activities were Foreign Direct Investment is permissible under Non-Banking Financial Services. It has since been decided to further expand the list by the inclusion of "Credit Card Business" and "Money Changing Business" in the list of activities opened in this sector to foreign investors. The permitted activities on the "Credit Card Business" would include issuance, sales, marketing and design of various payment products such as credit cards, charge cards, debit cards, stored value cards, smart cards, value added cards etc.

The normal guidelines applicable for foreign investment in Non-Banking Financial Companies, as have been stipulated from time to time, including the Minimum Capitalisation Norms as also any guidelines/norms prescribed by the competent authority for operating the business, shall be applicable to foreign equity participation in the "Credit Card Business" and "Money Changing Business".

Press Note No.4(1997 Series) issued by this Department on 5th September, 1997 may be deemed to have amended to the above extent.

F. No.10(32)/91-IP

New Delhi, the 5th August, 1998

Forwarded to Press Information Bureau for wide publicity to the contents of the above Press Note.

Sd/-

(Ashok Kumar)

Joint Secretary to the Govt. of India

Press Information Officer
Press Information Bureau
New Delhi.
Plywood, veneer of all types and other wood based products such as particle board, medium density fibre board/block board have been delicensed vide this Department's Press Note No. 11 (1997 series) dated the 17th July, 1997 subject to locational conditions and relevant statutes/statutory/policy notifications such as the National Forest Policy and directions and decisions of the Hon'ble Supreme Court. However, in respect of wood based items reserved for the small scale sector where the unit is being set up in the organised sector, or where locational angle is involved, compulsory licensing under the Industries (Development & Regulation) Act, 1951 is still attracted. Similarly, for setting up 100% EOUs, foreign collaboration and project import certification etc., approval of the Government is required. Such cases pertaining to wood based items, where approval of the Government is needed, are necessarily considered in consultation with the Ministry of Environment & Forests. It has, therefore, been decided that henceforth entrepreneurs who wish to obtain approval from the Government for setting up any wood based project should obtain prior clearance from the Ministry of Environment & Forests before submitting the application to the Administrative Ministry/SIA and enclose a copy of "in principle" approval given by the Ministry of Environment & Forests.

F. No. 10(3)/97-IP
New Delhi, the 27th August, 1998

Copy forwarded to the Principal Information Officer, Press Information Bureau, for giving wide publicity to the above Press Note.

Sd/-
(Ashok Kumar)
Joint Secretary to the Government of India

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
EXHIBIT NO. 86
PRESS NOTE NO.10 (1998 Series)
ADOPTION OF POLLUTION CONTROL MEASURES-MANUFACTURE OF NEW PRODUCTS AND BY PRODUCTS RECOVERED THROUGH APPLICATION OF POLLUTION CONTROL PROCESSES

1. It is the policy of the Government that the industrial undertakings desiring to use the wastes and effluents for manufacture of new products should be encouraged to do so.

2. Many of the chemicals recovered from pollution control processes and recycling of waste products are reserved for exclusive manufacture in the small scale. As per current industrial policy, the non-small scale units require to obtain industrial licence with 50% export obligation for manufacturing any of the products reserved for the small scale sector. In this background, it was felt that if the chemicals are recovered through installation of pollution control processes which are in the larger interest of sustainable industrial development, capacity of such recoverable chemicals, even if reserved for the small scale, should be permitted without the mandatory export obligation.

3. The Government have now decided that in order to encourage adoption of pollution control processes by the industrial undertakings which have the potential to utilise the waste products and effluents for manufacture of new items, they may be allowed to do so by suitable endorsement in the existing Industrial Licences or issued new Industrial Licences for such recoverable items which may be reserved for the small scale sector, without necessarily stipulating the mandatory export obligation.

4. The industrial undertakings will submit application in Form IL, to the Secretariat for Industrial Assistance, Ministry of Industry, Udyog Bhawan, New Delhi. Such applications will be considered on merits and wherever Government agrees to allow industrial undertakings to recycle their wastes and effluents, necessary endorsement of capacity for the items allowed would be made on industrial licences, without necessarily stipulating the conditions for export of such new items. However, before taking a decision in the matter, the Secretariat for Industrial Assistance will obtain the prior written comments/views of the Development Commissioner (SSI) in each case.

5. It is hoped that adoption of this positive policy would encourage the industrial units to install pollution control processes and be a positive incentive to utilise the waste products and effluents.

6. Entrepreneurs desirous of availing of this facility shall have to submit applications in the prescribed form for Industrial Licences (Form FC/IL) to the Secretariat for Industrial Assistance (SIA), Department of Industrial Policy & Promotion, Ministry of Industry, Udyog Bhawan, New Delhi-11, giving reference to this Press Note, with full details of the pollution control processes proposed to be adopted, and new items with capacities which would be recovered from the same.

F. No. 10(39)/98-I.P.
New Delhi, the 26th August, 1998

Forwarded to the Press Information Bureau, for giving wide publicity to the contents of the above Press Note.

Sd/-
(Ashok Kumar)
Joint Secretary to the Government of India

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
Under the present policy, manufacture of cigarettes requires compulsory licencing under the IDR Act. For induction of foreign direct investment (FDI) for this activity each proposal is considered by FIPB / Government as per the prescribed parameters and requirements under the policy.

2. The Government have reviewed the existing provisions and have decided to consider proposals for manufacture of cigarettes with FDI upto 100%. Such approvals shall be subject to the provisions relating to compulsory licencing under The Industries (Development and Regulation) Act, 1951.

3. This Press Note shall be a part of the FIPB guidelines notified vide Press Note No.3 (1997 series) dated 17.01.1997.

F. No. 10(39)/98-I.P.

New Delhi, the 26th August, 1998

Forwarded to the Press Information Bureau, to give wide publicity to the contents of the above Press Note.

Sd/-

( Ashok Kumar)

Joint Secretary to the Government of India

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
The Government has further reviewed the list of industries retained under compulsory licensing, and has decided to delete sugar industry from the list of industries requiring compulsory licensing under the provisions of the Industries (Development and Regulation) Act, 1951. However, inorder to avoid unhealthy competition among sugar factories to procure sugarcane, a minimum distance of 15 KM would continue to be observed between an existing sugar mill and a new mill by exercise of powers under the Sugarcane Control Order, 1966.

2. The entrepreneurs who wish to avail themselves of the de-licensing of sugar industry would be required to file an Industrial Entrepreneur Memoranda (IEM) with the Secretariat of Industrial Assistance in the Ministry of Industry as laid down for all de-licensed industries in terms of the Press Note dated 2nd August, 1991, as amended from time to time.

3. Entrepreneurs who have been issued Letter(s) of Intent (LOI) for manufacture of sugar need not file an initial IEM. In such cases, the LOI holder shall only file Part “B” of the IEM at the time of commencement of commercial production against the LOI issued to them. It is however open to entrepreneurs to file an initial IEM (in lieu of the LOI/Industrial Licence held by them) if they so desire, whenever any variation from the conditions and parameters stipulated in the LOI/Industrial License is contemplated.

F. No. 10(13)/96-I.P.

New Delhi, the 31th August, 1998

Forwarded to the Press Information Bureau, for giving wide publicity to the contents of the above Press Note.

Sd/-

(Ashok Kumar)

Joint Secretary to the Government of India

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
Under the existing policy, foreign direct investment in Private Sector Banks (up to 20% by Foreign banking companies or finance companies, including multilateral financial institutions as technical collaborators or co-promoters is permissible. Under this policy, NRIs are also allowed equity participation in private sector banks up to 40%, which would be inclusive of equity participation by other foreign investors as indicated above.

With a view to attracting foreign direct investment up to the permissible limit of 40% in private sector banks, in case of shortfall in NRI contributions, multilateral financial institutions would be allowed to contribute foreign equity to the extent of the shortfall in NRI contributions within the overall limit of 40 percent.

F. No. 10(32)/97-I.P.

New Delhi, the 1st September, 1998

Forwarded to the Press Information Bureau, for giving wide publicity to the contents of the above Press Note.

Sd/-

( Ashok Kumar)
Joint Secretary to the Government of India

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.

2. In tune with the ongoing economic reforms, Government have decided to delegate further powers to the Development Commissioners of EPZs as follows:

   i) **Enhancement in the value of Imported Capital Goods required for the project:**

   To allow enhancement in the value of imported Capital Goods upto 75% of the value approved initially, subject to the maximum of Rs. 10.00 Crores. The enhancement in value of imported Capital Goods can be on account of additional items of import or on account of increase in prices of permitted items.

   ii) **Additional location for the EOU project:**

   Some times the entrepreneurs need some more space to run their EOU projects and as such details of additional premises are required to be incorporated in the approval letters.

   The Development Commissioners of EPZs have been given powers to approve additional location(s) for an EOU project, provided the additional location(s) falls within the jurisdiction of the same Commissioner of Central Excise and Customs and all the premises are custom-bonded, as per rules.

   iii) **Revision in Export Obligation:**

   Development Commissioners shall have powers to revise prospectively the export obligation stipulated in the approval letters (both upward and downward) provided the revised export obligation is not below the level of minimum export obligation prescribed in the EXIM Policy/ general or sector specific FDI guidelines.

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F. No. 10(53)/91-IP

New Delhi, the 16th October, 1998

Forwarded to the Press Information Bureau, for giving wide publicity to the contents of the above Press Note.

Sd/-

(Aditi S. Ray)

Director

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
Global Mobile Personal Communications by Satellite (GMPCS) is an emerging technology in the field of mobile telephony. The Government have decided to permit Foreign Direct Investment in licencee companies operating GMPCS services upto 49% of the total equity subject to, inter-alia, obtaining licence for GMPCS from the Telecom Authority on the recommendations of an Inter-Ministerial Licencing Committee.

F. No. 10(50)/98-IP

New Delhi, the 15th October, 1998

Forwarded to the Press Information Bureau, Principal Information Officer for giving wide publicity to the contents of the above Press Note.

Sd/-

( Ashok Kumar)
Joint Secretary to the Government of India

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
In the Press Note No.4(1997 Series) issued by this Department on 30th April, 1997, guidelines for FDI in the Non-Banking Financial Companies (NBFCs) including norms for the minimum capitalisation were announced. The question of minimum capitalisation requirement has been reviewed by the Government and it has been decided that foreign investment proposals for purely financial consultancy services that are non-fund based, would not be subjected to the minimum capitalisation norms subject to the following condition:

“It would not be permissible for such a company to set up any subsidiary for any other activity, nor any equity it may contribute in an NBFC holding/operating company would be reckoned as domestic equity”.

NBFCs undertaking fund based activities shall, however, continue to attract minimum capitalisation norms.

F. No. 10(32)/97-IP New Delhi, the 3rd November, 1998

Forwarded to the Press Information Bureau, for giving wide publicity to the contents of the above Press Note.

Sd/-

(Aditi S. Ray)

Director

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
The Export Oriented Units/EPZ units in the cotton yarn sector are currently allowed to manufacture and export cotton yarn with domestic cotton use restrictions as stipulated in Press Note No. 19 (1997 series) dated 26.12.97.

2. There have been representations from the 100% EOU's producing cotton yarn seeking greater operational flexibility so that they are better equipped to deal with the adverse market conditions prevailing in the international market. At the same time, there is an urgent need for promoting downstream investments by cotton yarn EOU's in the interest of higher value added export of fabrics.

3. With a view to encouraging investments towards setting up of integrated units and thus achieving value additions, as well as to address the current difficulties of the cotton yarn EOU's, Government have decided to allow the flexibility to the 100% EOU's to export cotton yarn without any count/domestic cotton use restriction upto 31st December, 1998 subject to the condition that such exports are within the overall quantitative ceiling on cotton yarn exports of counts 1-40 (which is 175 million Kgs for the calendar year 1998 as of date). For such exports, the EOU's will have to apply to the Cotton Textile Export Promotion Council (TEXPROCIL) for allocation of ceiling.

(ii) The composite units manufacturing cotton yarn as well as fabrics both existing and new - as may be provided in the Letter of Permission (LOP) under the 100% EOU sector, would be allowed the flexibility to export cotton yarn also, without any count restriction/sourcing of domestic cotton condition. This dispensation would be contingent upon the following conditions:

(a) Special eligibility would accrue only after the weaving capacity has been fully installed, certified as balanced unit of spinning and weaving capacity by Textile Commissioner, and its commercial production has started.

(b) The export of yarn at any time would not be more than exports effected in the form of fabric in value terms and will be overall governed by the Letter of Undertaking (LUT) regarding export obligation.

4. All investors and entrepreneurs may please take note of the aforesaid revision in the Policy.

F. No. 10(48)/97-IP, New Delhi, the 13th November, 1998

Forwarded to the Press Information Bureau, for giving wide publicity to the contents of the above Press Note.

Sd/-

(Aditi S. Ray)
Director

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
1. The Government have reviewed the present Guidelines relating to approval of foreign/technical collaborations under the automatic route and after careful consideration it has been decided that foreign financial/technical collaborators with previous ventures/tie-up in India would be subjected to the following guidelines:

(I) Automatic route for FDI and/or technology collaboration would not be available to those who have or had any previous joint venture or technology transfer/trade-mark agreement in the same or allied field in India. RBI, therefore, have to stipulate necessary declaration before applications for the automatic route are taken on record.

(II) Investors of Technology to the suppliers of the above category therefore will have to necessarily seek the FIPB/PAB approval route for joint ventures or the technology transfer agreements (including trade-mark) giving detailed circumstances in which they find it necessary to set-up a new joint venture/enter into new technology transfer (including trade-mark).

(III) The onus is clearly on such investors/technology suppliers to provide the requisite justification as also proof to the satisfaction of FIPB/PAB that the new proposal would not in any way jeopardize the interests of the existing joint venture or technology/trade-mark partner or other stakeholders. It will be at the sole discretion of FIPB/PAB to either approve the application with or without conditions or reject in to duly recording the reasons for doing so.

2. The above procedure will form part of the approval procedures contained in the "Manual on Industrial Policy & Procedures in India" published by SIA, Ministry of Industries, Government of India, which shall stand clarified accordingly in respect of foreign/technical collaborators with previous joint ventures/tie-up in India.

F. No. 5(23)/98-FC.I
New Delhi, the 14th December, 1998

Forwarded to the Press Information Bureau for giving wide publicity to the contents of the above Press Note.

Sd/-

(1. Srinivas)
Director

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.

It has been laid down that for automatic approvals, the proposals should inter-alia meet the following criteria:

1. The payments for foreign technology agreements, if any, should not exceed lump sum fee of Rs. 1.00 crore or 8% royalty (net of taxes) over a period of 5 years from the date of commencement of commercial production; and

2. The activity envisaged in the proposal must be a manufacturing activity, as covered within the ambit of Section 3 of the Central Excise & Salt Act, 1944.

With a view to liberalise the procedure further, Government have now decided that the proposals envisaging foreign technology agreements with a lump sum fee of US$ two million and royalty payments upto 8% on exports and 5% on DTA sales (net of taxes) over a period of 5 years from the date of commencement of commercial production, will be approved under the automatic route.

Similarly, the proposals, other than the manufacturing activities within the ambit of Section 3 of the Central Excise Act, will also be allowed automatic approvals, provided the proposed activity is included in Para 9.1 of the EXIM Policy. Other criteria for granting automatic approvals shall continue to be in force.

F. No. 10(53)/91-IP

New Delhi, the 15th December, 1998

Forwarded to the Press Information Bureau, for giving wide publicity to the contents of the above Press Note.

Sd/-

(Aditi S. Ray)

Director

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.

In tune with the ongoing economic reforms, Government have decided to delegate further powers to the Development Commissioners of EPZs as follows:

i) **Disposal of obsolete capital goods**:

   The Development Commissioners of EPZs have been given powers to permit disposal of obsolete capital goods (used for less than 5 years), in Domestic Tariff Area (DTA), on payment of applicable duties, up to a maximum limit of Rs. 10 lakh in each financial year for an EOU/EPZ unit.

   Government have now decided that Development Commissioners of EPZs can permit disposal of obsolete capital goods, in DTA, on payment of applicable duties, without any restrictions. However, disposal of obsolete machinery must not adversely affect the contracted export obligation/Net Foreign Exchange Earning.

   ii) **Import of office equipment**:

   The Development Commissioners of EPZ have been given powers to permit import of office equipments, not exceeding 20% of the total capital goods value, subject to a maximum of Rs. 25.00 lakh.

   Government have now decided that Development Commissioners of EPZs can permit import of office equipment in accordance with EXIM Policy and Hand Book of Procedures.

   iii) **Merger of two or more EOU/EPZ units**:

   Sometimes, an entrepreneur sets up two or more EOU projects/EPZ units, having separate identity and accounts; separate E.O.; and separate bond licence. Subsequently, the applicant desires to merge two or more units into one unit.

   Government have now decided that the Development Commissioners of EPZs can permit the merger of two or more EOU/EPZ units into one EOU/one EPZ unit, provided the units fall within the jurisdiction of the same Development Commissioner and the same Commissioner of Central Excise and Customs.

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**EXHIBIT NO. 96**

**PRESS NOTE NO.20 (1998 Series)**

**DELEGATION OF POWER FOR POST APPROVAL AMENDMENTS FOR THE EXPORT ORIENTED UNITS(EOUS) AND EXPORT PROCESSING ZONE (EPZ) UNITS**

F. No. 10(53)/91-IP

New Delhi, the 15th December, 1998

Forwarded to the Press Information Bureau, for giving wide publicity to the contents of the above Press Note.

Sd/-

(Aditi S. Ray)

Director

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
Under the present policy, Indian companies undertaking construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular tunnels, ports and harbours are eligible for automatic approval up to 74% foreign equity.

2. The Government have reviewed the existing guidelines for automatic approval for foreign equity for construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular tunnels, ports and harbours and has decided to enlarge the provisions for automatic approval for such projects. Accordingly, projects for "construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular tunnels, ports and harbours" will be permitted foreign equity participation up to 100% on the automatic approval route, provided the total foreign equity in any such project does not exceed Rs. 1500 crore.

3. The provision referred to in Para 2 above would be listed as a fresh entry D-2 under the heading Part "D" of Annexure III as appended to this Press Note. The existing entry No. C-6 in Part "C" of Annexure III shall stand modified to this extent and read as under:

"Construction and maintenance of rail beds, non-vehicular bridges, non-vehicular tunnels, ropeways and runways."

4. The list appended to this Press Note is based on the National Industrial Classification of all economic activities (NIC), 1987. The entrepreneurs/investors are advised to give the description of the activities under this classification system when submitting the application to the RBI.


F. No. 7(1)/99-I.P.
New Delhi, the 4th January, 1999

Forwarded to Press Information Bureau to give wide publicity to the contents of the above Press Note.

Sd/-
(Ashok Kumar)
Joint Secretary to the Government of India

Press Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
## ANNEXURE - III
(Contd...)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>NIC Code</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>D-1</td>
<td>40</td>
<td><strong>ELECTRICITY GENERATION TRANSMISSION AND DISTRIBUTION</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>400 Generation and transmission of electric energy (only for hydro-electric power plants, coal/lignite based thermal power plants, oil based thermal power plants and gas based thermal power plants and not for atomic-reactor power plants).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>400.1 Generation and transmission of electric energy produced in hydro-electric power plants.</td>
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<td>400.2 Generation and transmission of electric energy produced in coal/lignite based thermal power plants.</td>
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<td></td>
<td>400.3 Generation and transmission of electric energy produced in oil based thermal power plants.</td>
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<td></td>
<td></td>
<td>400.4 Generation and transmission of electric energy produced in gas-based thermal power plants.</td>
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<tr>
<td></td>
<td>401</td>
<td>Distribution of electric energy to households, industrial, commercial and other users.</td>
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<tr>
<td>D-2</td>
<td>50</td>
<td><strong>CONSTRUCTION</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>501 Construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular tunnels, ports &amp; harbours.</td>
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</table>

Sd/-

( Ashok Kumar)

Joint Secretary to the Government of India
The Export Oriented Units/EPZ units in the cotton yarn sector are allowed to manufacture and export cotton yarn subject to the condition of use of domestic cotton for counts 1-40s, as stipulated in Press Note No. 19(1997 Series) dated 26.12.97.

2. With a view to addressing the difficulties of the cotton yarn EOU units, Government had, vide Press Note No. 17 (1998 Series), notified on 13th November, 1998 certain flexibilities to the 100% EOU units to export cotton yarn without any restriction pertaining to count/sourcing of domestic cotton.

3. Taking into account all relevant factors, including domestic cotton availability and with a view to further encouraging the exports of cotton yarn, it has been decided to extend the relaxations upto 31st December, 1999. At the same time, the overall quantitative ceiling on cotton yarn exports of count 1-40s, has been raised to 200 Million Kgs. for the calendar year 1999.

4. All the other provisions in the aforesaid Press Note dated 26.12.97 as modified by Press Note dated 13.11.98 would continue to operate.

5. All investors and entrepreneurs may please take note of the aforesaid revision in the policy.

F. No. 10(48)/97-I.P.

New Delhi, the 18th January, 1999

Forwarded to Press Information Bureau to giving wide publicity to the contents of the above Press Note.

Sd/-

(Aditi S. Ray)

Director

Information Officer,
Press Information Bureau,
Shastri Bhawan,
New Delhi.
Modified policy for drugs and pharmaceutical industry (Drug Policy) inter-alia provides that industrial licensing for all bulk drugs and their formulations and for intermediates stands abolished except for the five bulk drugs (reserved for the Public Sector under the Drug Policy) and products produced by re-combinant DNA technology. This had been given wide publicity vide Press Note No. 4 (1994 Series) dated 25.10.94 issued by the Ministry of Industry. As an ongoing process of industrial reforms, Government have been considering for sometime the necessity of retaining the bulk drugs reserved for manufacture by the Public Sector under industrial licensing. The Government have recently decided to exempt the five bulk drugs from reservation for the Public Sector under the Drug Policy. The need for licensing these bulk drugs arose out of the need for reserving manufacture by the public sector. In the interest of the consuming public, therefore, it does not seem necessary to retain the five bulk drugs under licensing under the Industries (Development and Regulation) Act.

2. Accordingly, Government have decided to de-license the manufacture of the following five bulk drugs:

   1. Vitamin B1
   2. Vitamin B2
   3. Tetracycline
   4. Oxytetracycline
   5. Folic Acid

3. However bulk drugs produced by the use of re-combinant DNA technology and bulk drugs requiring in vivo use of nucleic acid as the active principles (items not classified under Harmonised System) and formulations based on use of specific cell or tissue targeted formulations (items not classified under Harmonised System) shall continue to remain under compulsory licensing.

4. The entrepreneurs who wish to avail themselves of the de-licensing of the five bulk drugs as at para 2 above would be required to file an Industrial Entrepreneurs’ Memorandum (IEM) with the Secretariat for Industrial Assistance in the Ministry of Industry as laid down for all de-licensed industries in terms of the Press Note dated 2nd August, 1991, as amended from time to time.

5. Entrepreneurs who have been issued Letter(s) of Intent (LOI) for manufacture of any or all of the five bulk drugs (now de-licensed) need not file an initial IEM. In such cases the LOI holder shall only file Part “B” of the IEM at the time of commencement of commercial production against the LOI issued to them. It is, however, open to entrepreneurs to file an initial IEM (in lieu of the LOI issued to them) if they so desire, whenever any variation from the conditions and parameters stipulated in the LOI/Industrial Licence is contemplated.

New Delhi, the 26th February, 1999

Sd/-

( Ashok Kumar)
Joint Secretary to the Government of India
Government had delegated powers to the Development Commissioners of the Export Processing Zones (EPZs), vide Press Note No. 4 (1995 Series) dated 19th April, 1995. More powers were further delegated vide Press Note No. 15 (1997 Series) dated 10.11.97, No. 14 (1998 Series) dated 16.10.98 and No. 20 (1998 Series) dated 15.12.98. In supersession of these Press Notes, it has been decided to consolidate the instructions on delegation of powers to DCs for the purpose of convenience to the entrepreneurs.

2. The delegation of powers authorises the Development Commissioners of Export Processing Zones to exercise the following powers in respect of units under EPZ / EOU scheme within their respective jurisdiction:

2(1) Additional Import of capital goods (CG):

To allow enhancement in the value of imported Capital Goods upto 75% of the value approved initially, subject to the maximum of Rs. 10.00 Crores. The enhancement in value of imported Capital Goods can be on account of additional items of import or on account of increase in prices of permitted items.

2(2) Currency fluctuations:

To allow increase in the value of Capital Goods imports in terms of Rupees, owing to foreign exchange rate fluctuations vis a -vis foreign currencies.

2 (3) Attestation of list of imported capital goods:

To attest list of imported capital goods, both new and second - hand, within the approved value, including additional value permitted in (1) above.

2 (4) Capacity enhancement:

To permit capacity enhancement of EOUs/EPZ units, without any limit in respect of de - licensed industries only, provided the requirement of additional imported Capital Goods does not exceed 50% of approved value subject to a maximum of Rs. 10.00 crores.

2 (5) Broad Banding

To permit broad banding subject to the condition that it does not result in procurement of additional capital goods imports beyond 50% of approved value subject to a maximum of Rs. 10.00 crores. Broad banding will be allowed in respect of only those industries, the design and production facilities of which are common and have similar manufacturing process and where physical exports are envisaged.

2 (6) Change in name:

To authorise the change in name of the company or the implementing agency subject to the following conditions:

1. For change from an individual to a Company provided:
   a) the new company is promoted by the applicant.
   b) he is a subscriber to the Articles and Memorandum of Association of the new company;
   c) he subscribes to the tune of at least 10% of the issued equity capital of the new company and;
   d) the individual is a Director of the new Company.

2. For change from a company to another company provided:
   a) the transferee company is a fully - owned subsidiary of the company holding the letter of intent or permission letter or vice - versa; or
   b) a new company has been promoted for the purpose of implementing the scheme after the grant of Letter of Intent or Letter of Approval, with at least 10% of the issued equity held by the existing company; and
   c) change of name would be permitted only if the new unit undertakes to take over the assets and liabilities of the existing unit.

2 (7) Change of Location:

To permit change of location from the place mentioned in the Letter of Approval / Letter of Intent to another, provided:-
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<tr>
<td><strong>a)</strong></td>
<td>no change in other terms and conditions of the approval is envisaged;</td>
</tr>
<tr>
<td><strong>b)</strong></td>
<td>the new location is within the territorial jurisdiction of the DCs;</td>
</tr>
<tr>
<td><strong>c)</strong></td>
<td>the new location is at a warehousing station declared by the Custom Authorities; and</td>
</tr>
<tr>
<td><strong>d)</strong></td>
<td>other locational, zoning, land-use or environmental conditions are also complied with.</td>
</tr>
</tbody>
</table>

2 (8) **Additional location for the EOU Project:**

To approve additional location(s) for an EOU project requiring more space to run the project, provided the additional location(s) falls within the jurisdiction of the same Commissioner of Central Excise and Customs and all the premises are custom-bonded, as per rules.

2 (9) **Extension of validity of Letters of Intent/Letters of Approval:**

To extend the validity period of Letter of Intent/Letter of Permission/Letter of Approval, in the case of EOU and EPZ units, by three years, beyond the initial validity period of the Letter of Intent/Letter of Permission/Letter of Approval (except in case where there is a restriction on initial period of approval, like setting up of oil refinery projects).

2 (10) **Change in Value Addition:**

To revise the Value Addition upward or downward upto the minimum Value addition prescribed for the item of manufacture under the policy.

2 (11) **Disposal of Obsolete Capital Goods:**

To permit disposal of obsolete capital goods, in DTA, on payment of applicable duties, without any restrictions. However, disposal of obsolete machinery must not adversely affect the contracted export obligation/Net Foreign Exchange Earning.

2 (12) **Import of Office Equipment:**

To permit import of office equipment in accordance with EXIM policy and Handbook of Procedures.

2 (13) **Revision in Export Obligation:**

To revise prospectively the export obligation stipulated in the approval letters (both upward and downward) provided the revised export obligation is not below the level of minimum export obligation prescribed in the EXIM Policy/general or sector specific FDI guidelines.

2 (14) **Merger of two or more EOU s:**

To permit merger of two or more EOU/EPZ units into one EOU/one EPZ unit, provided the units fall within the jurisdiction of the same Development Commissioner and the same Commissioner of Central Excise and Customs.

3. Member Secretary of Board of Approvals for 100% EOU s shall also exercise the powers delegated above in respect of EOU s.

4. All cases of units orginally approved under Automatic Approval Scheme shall be brought to the Board of Approvals when the revised parameters do not conform to the conditions laid down under this scheme.

5. The Secretariat for Industrial Assistance, Department of Industrial Policy & Promotion, Ministry of Industry and Development Commissioners concerned shall place before Board of Approvals in its next meeting summary of each order issued by them under the power delegated to them for ratifications.

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F. No. 10(53)/91-I.P.  
Forwarded to Press Information Bureau to giving wide publicity to the contents of the above Press Note.

Sd/-  
( Ashok Kumar)  
Joint Secretary to the Government of India

New Delhi, the 5th March, 1999

Information Officer,  
Press Information Bureau,  
Shastri Bhawan,  
New Delhi.
As per Guideline No. 2 of the Guidelines for the consideration of Foreign Direct Investment (FDI) proposals by the Foreign Investment Promotion Board (FIPB) as notified vide Press Note No. 3 (1997 series), proposals for FDI should be considered by the Board keeping view the time-frame of six weeks for communicating government decision (i.e. approvals of IM or CCFI or rejection as the case may be).

With a view to expediting disposal of FDI proposals, Government have decided to reduce the time frame for consideration of such proposals to thirty (30) days from six weeks. Accordingly, guideline No. 2 as contained in Press Note No. 3 (1997 series) shall stand modified as under:

"Proposals should be considered by the Board keeping in view the time-frame of thirty (30) days for communicating Government decision (i.e. approval of IM/CCFI or rejection as the case may be)."

This is for general information of investors.

F. No. 10(32)/97-IP

New Delhi, the 19th March, 1999

Copy forwarded to the Press Information office, Press Information Bureau, for giving wide publicity to the above Press Note.

Sd/-

( Ashok Kumar)

Joint Secretary to the Government of India

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