

EXHIBIT NO.59(Contd.)
PRESS NOTE NO.2 (1997 Series)
EXPANSION OF LIST OF INDUSTRIES FOR AUTOMATIC APPROVAL FOR FOREIGN EQUITY

SI. NO.	NIC CODE			Description
	Division	Group	Class	
1	2	3	4	5
B-7	34			MANUFACTURE OF METAL PRODUCTS AND PARTS EXCEPT MACHINERY AND EQUIPMENT
		341		Manufacture of fabricated metal products.
			341.1	Manufacture of railway and ship containers used in container-traffic.
			341.2	Manufacture of gas cylinders(industrial or house-hold).
			341.3	Manufacture of tanks, reservoirs and containers of metals n.e.c.
			341.4	Manufacture of reinforced safes, vaults, strongroom doors and gates and the likes (manufacture of almirahs and filling cabinets etc. is classified in Group 342).
			341.5	Manufacture of Steel trunks.
			341.6	Manufacture of sanitary and plumbing fixtures and fitting of metals.
			341.9	Manufacture of other fabricated metal products n.e.c.
		344		Forging, pressing, stamping and roll-forming of metal, power metallurgy.
B-8	35&36			MANUFACTURE OF MACHINERY AND EQUIPMENT OTHER THAN TRANSPORT EQUIPMENT
			350	Manufacture of agricultural machinery and equipment and parts thereof.
			351	Manufacture of machinery and equipment used by construction and mining industries.
			352	Manufacture of prime movers, boilers
			353	Manufacture of industrial machinery for food and textile industries(including bottling and filling machinery).
			354	Manufacture of industrial machinery for other than food and textile industries.
			355	Manufacture of refrigerators, air-conditioners and fire fighting equipment and their parts and accessories.
			356	Manufacture of general purpose non-electrical machinery/ equipment, their components and accessories n.e.c.
			357	Manufacture of machine tools, their parts and accessories.
			358	Manufacture of office, computing and accounting machinery and parts.

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SI. NO.	NIC CODE			Description
	Division	Group	Class	
1	2	3	4	5
		359		Manufacture of special purpose machinery/equipment, their components and accessories n.e.c.
			359.1	Manufacture of sewing and knitting machines.
			359.2	Manufacture of weighting machinery.
			359.3	Manufacture of washing and laundrying machines(including centrifugal clothes dries).
			359.5	Manufacture of filtering and purifying machinery for liquid and gases.
			359.6	Manufacture of distilling and rectifying plants (including heat exchangers).
			359.8	Manufacture of parts and accessories n.e.c. for special purpose non-electrical machinery/equipment n.e.c.
			359.9	Manufacture of special purpose non-electrical machinery/equipment n.e.c.
		360		Manufacture of electrical industrial machinery apparatus and parts thereof.
		361		Manufacture of insulated wires and cables, including manufacture of optical fibre cables.
		362		Manufacture of accumulators primary cells and primary batteries.
		363		Manufacture of electric lamps.
			363.2	Manufacture of ultra-voilet or infra-red lamps.
			363.3	Manufacture of discharge lamps; flourescent, hot-cathode or other discharge lamps.
			363.4	Manufacture of arc lamps.
			363.5	Manufacture of flash bulbs used in photography.
B-9	70			LAND TRANSPORT (SUPPORT SERVICES)
		708		Support services to land transport like operation of high-way bridges, toll roads, vehicular tunnels.
B-10	71			WATER TRANSPORT(SUPPORT SERVICES)
		712		Support services to water-transport like operation and maintenance of piers, loading and discharging of vessels.

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SI. NO.	NIC CODE			Description
	Division	Group	Class	
1	2	3	4	5
B-11	73			SERVICE INCIDENTAL TO TRANSPORT NOT ELSEWHERE CLASSIFIED
		730		Cargo handling incidental to land transport.
		731		Cargo handling incidental to water transport.
		732		Cargo handling incidental to air transport
		733		Renting and leasing(except financial leasing) of motor vehicles, without operator, for passenger transport.
		734		Renting and leasing(except financial leasing) of motor vehicles, without operator, for freight transport.
		739		Renting and leasing of refrigerated/cold transport.
B-12	85			RENTING AND LEASING NOT ELSEWHERE CLASSIFIED
		850		Renting of transport equipment without operator.
			850.9	Renting of other transport equipment n.e.c.
		852		Renting of office accounting and computing machinery and equipment, without operator.
		853		Renting of other industrial machinery and equipment.
B-13	89			BUSINESS SERVICES NOT ELSEWHERE CLASSIFIED
		893		Business and management consultancy activities.
			893.2	Market Research Services.
		895		Technical testing & analysis services.
		899		Research & Development Services(excluding basic research and setting up of R&D/academic institutions which would award degrees/diplomas/certificates).
	93			HEALTH AND MEDICAL SERVICES

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ANNEXURE-III
(Contd.)

PART - 'C'
LIST OF INDUSTRIES/ITEMS FOR AUTOMATIC
APPROVAL FOR FOREIGN EQUITY UPTO 74%

Sl. NO.	NIC CODE			Description
	Division	Group	Class	
1	2	3	4	5
C-1	19			MINING SERVICES
		190		Oil and Gas Field services, except Exploration and production services.
		191		Services incidental to mining viz. drilling, shafting, reclamation of mines, surveys/mapping - excluding services related to gold, silver and precious/semi-precious stones.
C-2	33			BASIC METALS & ALLOYS INDUSTRIES
		330		Manufacture of Iron ore pellets, pig iron, sponge iron and steel in Primary/semi-finished/finished forms.
		331		Manufacture of semi-finished Iron and Steel products in re-rolling mills, cold-rolling mills and wire drawing mills.
		332		Manufacturing of ferro-alloys.
		333		Copper manufacturing
		334		Brass manufacturing
		335		Aluminium manufacturing
		336		Zinc manufacturing
		337		Casting of metals
		339		Other non-ferrous metal industries, excluding Gold, Silver and Platinum.
	38			OTHER MANUFACTURING INDUSTRIES
		380		Manufacturing of medical, surgical, scientific and measuring equipment except optical equipment.
		380.1		Manufacture of medical/surgical equipment and orthopaedic appliances(manufacture of apparatus based on the use of X-Ray or other radiators is classified in Class 369.1)
		380.2		Manufacture of industrial process control equipment (this class include manufacture of apparatus used for continuous measurement and control or variable such

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	Division	Group	Class	
1	2	3	4	5
				as temperature, presstire, viscosity etc. of materials and products as they are being manufactured or otherwise processed).
			380.3	Manufacture of regulating or controlling instruments and apparatus, except industrial process control equipment.
			380.4	Manufacture of supply meters for electricity, water or gas.
			380.5	Manufacture of sensitive balance and mathematical calculating instruments.
			380.6	Manufacture of laboratory and scientific instruments n.e.c (includes manufacture of non-optical microscopes, diffraction equipments; apparatus for measuring or checking electrical quantities, e.g oscilloscopes, spectrum analysers, voltmeters, with or without recording device; apparatus for measuring non-electrical quantities, e.g. radiation detectors and counters, cross-talk meters and other instruments specially designed for telecommunications; apparatus for testing the physical properties for materials, e.g. apparatus for testing hardness and other properties of metals, for testing the wear and tear and other properties of textiles, and for testing the physical properties of paper, linoleum, plastic, rubber, wood, concrete and so forth; apparatus for carrying out physical or chemical analysis, e.g. polarimeters, refractometers, calorimeters, Orsob's apparatus, Ph-meters, viscometers, surface tension instruments and so forth and instruments and apparatus for measuring or checking the flow, level, pressure or other variables of liquids or gases, manometers, heatmeters, and so forth, except industrial process control equipment).
			380.8	Manufacture of parts and accessories n.e.c. for instruments and apparatus included in this group.
			380.9	Manufacture of other medical surgical, scientific and measuring equipment n.e.c. (includes manufacture of hydrometers, thermometers, pedometer, techometers, balancing machines, test benches, comparators (include optical comparators and other optical type measuring and checking applicances and instruments); instruments for checking watches or watch parts and so forth).

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SI. NO.	NIC CODE			Description
	Division	Group	Class	
1	2	3	4	5
		381		Manufacture of photographic, cinematographic and optical goods and equipment (excluding photochemicals, sensitised paper and film).
		388		Manufacture of items based on solar energy like solar cells, cookers, air and water heating systems and other related items.
C-4	40			ELECTRIC GENERATION AND TRANSMISSION
		400		Generation and transmission of electric energy.
		400.1		Generation and transmission of electric energy produced in hydro-electric power plants.
		400.2		Generation and transmission of electric energy produced in coal based thermal power plants.
		400.3		Generation and transmission of electric energy produced in oil based thermal power plants.
		400.4		Generation and transmission of electric energy produced in gas based thermal power plants.
C-5	43			NON-CONVENTIONAL ENERGY GENERATION ANB DISTRIBUTION
C-6	50			CONSTRUCTION
		501		Construction and maintenance of roads, railbeds, bridges, tunnels, pipelines, ropeways, ports, harbours and runways.
		503		Construction and Maintenance of waterways and water reservoirs.
		504		Construction and Maintenance of hydroelectric projects.
		505		Construction & Maintenance of power plants.
C-7	70			LAND TRANSPORT
		707		Pipeline transport excluding Crude Oil, petroleum products and natural gas pipelines.
C-8	71			WATER TRANSPORT
		710		Ocean and Water transport
		711		Inland water transport
C-9	74			STORAGE AND WAREHOUSING SERVICES
		741		Warehousing of agricultural products with refrigeration (cold storages).

EXHIBIT NO.60
PRESSNOTE NO.3❖(1997 Series)
GUIDELINES FOR CONSIDERATION OF FOREIGN DIRECT INVESTMENT PROPOSALS
BY FOREIGN INVESTMENT PROMOTION BOARD

The Government has taken series of steps to further liberalise and streamline the procedures and mechanism for approval of both domestic and foreign direct investment in fulfilment of its commitment to provide greater transparency in decision making, the Government has announced a set of Guidelines for

consideration of foreign direct investment proposals by the Foreign Investment Promotion Board.

A set of Guidelines announced in this regard is enclosed for general information and for information of investors.

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

New Delhi, the 17th January, 1997

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.

Note: ❖ Press Note No.3(1997 Series) has been amended by Press Note No.4(1997 Series) & Press Note No. 13(1997 Series).

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PRESS NOTE NO.3 (1997 Series)
GUIDELINES FOR CONSIDERATION OF FOREIGN DIRECT INVESTMENT PROPOSALS
BY FOREIGN INVESTMENT PROMOTION BOARD

**Guidelines for the consideration of Foreign Direct Investment (FDI)
proposals by the Foreign Investment Promotion Board(FIPB)**

The following Guidelines are laid-down to enable the Foreign Investment Promotion Board (FIPB) to consider the proposals for Foreign Direct Investment (FDI) and formulate its recommendations.

1. All applications should be put before the FIPB by the SIA (Secretariat of Industrial Assistance) within 15 days and it should be ensured that comments of the administrative ministries are placed before the Board either prior to/or in the meeting of the Board.
2. Proposals should be considered by the Board keeping in view the time frame of 6 weeks for communicating Government Decision (i.e. approval of IM/CCFI or rejection as the case may be).
3. In cases in which either the proposal is not cleared or further information is required, in order to obviate delays presentation by applicant in the meeting of the FIPB should be resorted to.
4. While considering cases and making recommendations, FIPB should keep in mind the sectoral requirements and the sectoral policies vis-a-vis the proposal(s).
5. FIPB would consider each proposals in totality (i.e. if it includes apart from foreign investment, technical collaboration/industrial licence) for composite approval or otherwise. However, the FIPB's recommendation would relate only to the approval for foreign financial and technical collaboration and the foreign investor will need to take other prescribed clearances separately.
6. The Board should examine the following while considering proposals submitted to it for consideration.
 - i) Whether the items of activity involve industrial licence or not and if so, the considerations for grant of industrial licence must be gone into.
 - ii) Whether the proposal involves technical collaborations and if so - (a) the source and nature of technology sought to be transferred (b) the terms of payment (payment of royalty by 100% subsidiaries is not permitted)
 - iii) Whether the proposal involves any mandatory requirement for exports and if so, whether the applicant is prepared to undertake such obligation (this is for Small Industry units, as also for dividend balancing and for 100% EOUs/EPZ units)
 - iv) Whether the proposal involves any export projection and if so, the items of export and the projected destinations.
 - v) Whether the proposal has concurrent commitment under other schemes such as EPCG Scheme, etc.
 - vi) In the case of Export Oriented Units(EOUs) whether the prescribed minimum value addition norms and the minimum turn over of exports are met or not.
 - vii) Whether the proposal involves relaxation of locational restrictions stipulated in the industrial licensing policy; and
 - viii) Whether the proposal has any strategic or defence related considerations.

EXHIBIT NO.60(Contd.)
PRESS NOTE NO.3 (1997 Series)
GUIDELINES FOR CONSIDERATION OF FOREIGN DIRECT INVESTMENT PROPOSALS
BY FOREIGN INVESTMENT PROMOTION BOARD

7. While considering proposals the following may be prioritised
 - (a) Items falling within Annexure-III of the New Industrial Policy (i.e. those which do not qualify for automatic approval).
 - (b) Items falling in infrastructure sector.
 - (c) Items which have an export potential.
 - (d) Items which have large scale employment potential and especially for rural people
 - (e) Items which have a direct or backward linkage with agro business/farm sector.
 - (f) Items which have greater social relevance such as hospitals, human resource development, life saving drugs and equipment.
 - (g) Proposals which result in induction of technology or infusion of capital.
8. The following should be especially considered during the scrutiny and consideration of proposals.
 - (a) The extent of foreign equity proposed to be held (keeping in view sectoral caps if any - e.g. 24% for SSI units, 40% for air taxi/airlines operators, 49% in basic/cellular/ paging etc. in Telecom sector)
 - (b) Extent of equity with composition of foreign/NRI (which may include OCB)/resident Indians.
 - (c) Extent of equity from the point of view whether the proposed project would amount to a holding company/wholly owned subsidiary/a company with dominant foreign investment (i.e. 76% or more venture)
 - (d) Whether the proposed foreign equity is for setting up a new project (joint venture or otherwise) or whether it is for enlargement of foreign/NRI equity or whether it is for fresh induction of foreign equity/NRI equity in an existing Indian Company.
 - (e) In the case of fresh induction of foreign/NRI equity and/or in cases of enlargement of foreign/NRI equity in existing Indian Companies whether there is a resolution of the Board of Directors supporting the said induction/enlargement of foreign/NRI equity and whether there is a shareholders agreement or not.
 - (f) In the case of induction of fresh equity in the existing Indian companies and/or enlargement of foreign equity in existing Indian Companies, the reason why the proposal has been made and the modality for induction/enhancement (i.e. whether by increase of paid up capital/authorised capital, transfer of shares(hostile or otherwise) whether by rights issue, or by what modality)
 - (g) Issue/transfer/pricing of shares will be as per SEB/RBI guidelines
 - (h) Whether the activity is an industrial or a service activity or a combination of both.
 - (i) Whether the item of activity involves any restriction by way of reservation for the small scale sector
 - (j) whether there are any sectoral restrictions on the activity (eg. there is ban on foreign investment in real estate while it is not so for NRI/OCB investment)
 - (k) Whether the items involves only trading activity and if so whether it involves export or both export and import, or also includes domestic trading and if domestic trading whether it also includes retail trading.
 - (l) whether the proposal involves import of items which are either hazardous, banned or detrimental to environment (eg. import of plastic scrap or recycled plastics)

EXHIBIT NO.60(Contd.)
PRESS NOTE NO.3 (1997 Series)
GUIDELINES FOR CONSIDERATION OF FOREIGN DIRECT INVESTMENT PROPOSALS
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9. In respect of the industries/activities listed in Annex.III of the New Industrial Policy automatic approval for majority equity holding (50/51/74 percent) is accorded by the Reserve Bank of India. FIPB may consider recommending higher levels of foreign equity in respect of these activities keeping in view the special requirements and merit of each case.

10. In respect of other Industries/activities the Board may consider recommending 61 per cent foreign equity on examination of each individual proposal. For higher levels of equity Up to 74 per cent, the Board may consider such proposals keeping in view COHBiderationB such as the extent of capital needed for the project, the nature and quality of technology, the I-requirements of marketing and management skills and the commitment fof exports.

11. FIPB may consider and recommend proposals for 100 per cent foreign owned holding/subsidiary companies based on the following criteria:

- (a) where only "holding" operation is involved and all subsequent/downstream investments to be carried out would require prior approval of the Government.
- (b) where proprietary technology is sought to be protected or sophisticated technology is to be brought in;
- (c) where atleast 50% of the production is to be exported.
- (d) proposals for consultancy; and
- (e) proposals for power, road, ports and industrial model towns/industrial parks or estates.

12. In special cases, where the foreign investor is unable initially to identify an Indian Joint Ventue partner, the Board may consider and recommend proposals permitting 100 per cent foreign equity on a temporary basis on the condition that the foreign investor would divest to the Indian parties (either individual, joint venture partners or general public or both) at least 26 per cent of its equity within a period of 3-5 years.

13. Similarly in the case of a joint venture, where the Indian partner is unable to raise resources for expansion/technological upgradation of the existing industrial activity, the Board may consider and recommend increase in the proportion/percentage (up to 100 per cent) of the foreign equity in the enterprise.

14. In respect of trading companies, 100 per cent foreign equity may be permitted in the case of the activities involving the following:

- i) exports;
- ii) bulk imports with export/expanded warehouse sales;
- iii) cash and carry wholesale trading;
- iv) other import of goods or services provided atleast 75% is for procurement and sale of goods and services along the companies of the same group.

15. In respect of the companies in the infrastructure/services sector where there is a prescribed cap for foreign investment, only the direct investment should be considered for the prescribed cap and foreign investment in an investing company should not be set off against this cap provided the foreign direct investment in such investing company does not exceed 49 per cent and the management of the investing company is with the Indian owners.

16. No condition specific to the letter of approval issued to a foreign investor would be changed or additional condition imposed subsequent to the issue of a letter of approval. This would not prohibit changes in general policies and regulations applicable to the industrial sector.

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17. Where in case of a proposal (not being 100% subsidiary) foreign direct investment has been approved up to a designated percentage of foreign equity in the joint venture company, the percentage would not be reduced while permitting induction of additional capacity subsequently. Also in the case of approved activities, if the foreign investor(s) concerned wishes to bring in additional capital on later dates keeping the investment on such approved activities. FIPB would recommend such cases for approval on an automatic basis.

18. As regards proposal for private sector banks, the application would be considered only after "in principle" permission is obtained from the Reserve Bank of India(RBI).

19. The restrictions prescribed for proposals in various sectors as obtained, at present, are given in the Annex and these should be kept in view while considering the proposals.

These Guidelines are meant to assist the FIPB to consider the proposals in an objective and transparent manner. These would not in any way restrict the flexibility or bind the FIPB from considering the proposals in their totality or making recommendations based on other criteria or special circumstances or features it considers relevant. Besides there are in nature of administrative Guidelines and would not in any way be legally binding in respect of any recommendation made by the FIPB or decisions to be taken by the Government in cases involving Foreign Direct Investment(FDI).

These guidelines are issued without prejudic to the Government's right to issue fresh guidelines or change the legal provisions and policies whenever considered necessary.

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PRESS NOTE NO.3 (1997 Series)
GUIDELINES FOR CONSIDERATION OF FOREIGN DIRECT INVESTMENT PROPOSALS
BY FOREIGN INVESTMENT PROMOTION BOARD

ANNEX

**SECTOR SPECIFIC GUIDELINES FOR
FOREIGN DIRECT INVESTMENT**

S.No.	Sector	Guidelines
1.	Banking NRI 40%	Foreign investment of upto 20% Is permitted.
2.	Non-banking financial services	<ul style="list-style-type: none"> i) Upto 61% foreign equity, no special conditions are attached except those requiring approval of SEBI/RBI etc. ii) For foreign equity beyond 51% but upto 75%, it is necessary that foreign investment should be minimum US \$ 5 million and it should come in one lot. iii) For foreign investment beyond 76% minimum foreign investment should be US \$ 60 million.
3.	Domestic Air-Taxi Operations/Airlines	<ul style="list-style-type: none"> i) Foreign equity upto 40% can be permitted on a case-by-case basis. ii) 100% by NRIs.
4.	Power	Foreign investment in power sector can either be in the form of a joint venture with an Indian partner or as a fully-owned operation with 100% foreign equity.
5.	Telecommunication (Basic, Value Added)	In basic, Cellular Mobile and paging services, foreign investments are limited to 49% subject to grant of licence from DoT.
6.	Drugs and Pharmaceuticals Industry	Foreign investment upto 61% in the case of bulk drugs, their intermediates and formulations thereof (except those produced by the use of recombinant DNA technology) are granted automatic approval by the RBI. Other proposals are considered on merit on a case-by-case basis by the Government Manufacturing activity essential for FDI above 61% as per Drug Policy.
7.	Petroleum	Foreign companies can invest upto 100% of the equity in any venture in petroleum sector.
8.	Real Estate	No foreign investment in this sector is permitted. NRIs/OCBs are allowed.
9.	Road and Highways	Private sector including foreign equity participants upto 100% in the highways is envisaged on Build Operate and Transfer(BOT) concept. Investors in identified highway projects would be permitted to recover their investment by way of collection of tolls for specific periods. At the end of the agreed concession period, the facilities will revert to the Government.

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Construction of bypasses, bridges and widening of high density corridors, of National Highways have been identified for four laning through the BOT route. The Government has, in the Budget Session of 1995, passed the necessary legislation for collection of toll tax. The rates of toll charges as well as the period of concession will be on the basis of competition/bids and land requirement for the construction and operation of facilities would be provided by the Government free from encumbrances. Private parties would also be allowed to develop service and rest areas along the roads entrusted to them.

10.

Ports Indian ports offer significant potential to foreign investors in major operational and infrastructural areas. The following areas have been identified for participation/investment by the private sector.

- (i) Leasing out existing assets of the Port.
- (ii) Construction/creation of additional assets, such as
 - (a) Construction and operation of container terminals.
 - (b) Construction and operation bulk, break bulk, multipurpose and specialised cargo berths.
 - (c) Warehousing, Container Freight Stations, storage facilities and tank farms.
 - (d) Cranes/Handling Equipment
 - (e) setting up of captive power plants
 - (f) Dry docking and ship repair facilities
- (iii) Leasing of equipment for port handling and leasing of floating crafts from the private sector
- (iv) Captive facilities for Port based industries.

These areas indicative in nature. Further details regarding participation by the foreign investors are available with individual port authorities and the Ministry of Surface Transport, Government of India.

11. Tourism

This is a sector with immense possibilities for foreign investment. 100% foreign equity is permissible in the sector and automatic approvals are also granted by the Reserve Bank of India for foreign equity upto 51% and subject to specified parameters.

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12. Mining

I) Foreign equity participation of upto 50% in the mining sector will be automatic except for except gold, silver, diamonds and previous stones. For gold, silver, diamonds and precious stones, approvals would be given keeping in view inter alia, the following parameters.

- a) The size of the project
- b) Commitment of external resources for funding project cost.
- c) Track record of the company in the mining sector
- d) The level of technology sought to be employed in the project.
- e) Financial strength of the company
- f) Level of the Indian equity in the Joint venture at the mining stage for the JV partner/Indian Partner.

For companies who seek to set up 100 per cent wholly owned subsidiaries, permission may be given subject to the condition that in case the company wishes to enter into a joint venture for investment in mining where a foreign equity holding in excess of 50 per cent is envisaged, prior approval of the FIBP would be taken.

13. Coal

While this has been reserved for the public sector, private and foreign investment is permitted in coal for captive consumption only (generation of power) and for washeries, etc.

14. Venture Capital Fund:

An offshore venture capital company may contribute 100 per cent of the capital of a domestic venture capital fund and may also set up domestic asset management company to manage the fund.

VCFs and VCCs are permitted upto 40% of the paid up corpus of the domestic VCF/VCCs

EXHIBIT NO.61
PRESS NOTE NO.4❖ (1997 Series)
GUIDELINES FOR NON-BANKING FINANCIAL SERVICES

The Government have announced a set of Guidelines for consideration of foreign direct investment proposals by the Foreign Investment Promotion Board vide Press Note No.3 (1997 Series). The Government in consultation with the RBI & SEBI, have made certain changes in respect of guidelines prescribed for Non-Banking Financial Services viz., item No.2 of the Annexure specifying guidelines for Foreign Direct Investment in some specific sectors of the said press note.

The following are the norms for FDI in the non-banking financial sector:

- 1) All proposals for foreign equity investment in NBFCs shall be considered by FIPB.
- 2) Foreign investment in non-banking financial services to be permitted in
 - I) Merchant Banking,
 - II) Underwriting,
 - III) Portfolio Management Services
 - IV) Investment Advisory Services,
 - V) Financial Consultancy,
 - VI) Stock Broking,
 - VII) Asset Management,
 - VIII) Venture Capital,
 - IX) Custodial Services,
 - X) Factoring,
 - XI) Credit Reference Agencies,
 - XII) Credit Rating Agencies
 - XIII) Leasing and Finance and
 - XIV) Housing Finance.

- 3) Minimum Capitalization norms :
 - a) Where the foreign equity is less than 51% or equal to 51%=US \$ 0.5 million
 - b) Where the foreign equity is more than 51% but is less than equal to 75%=US \$ 5 million
 - c) Where the foreign equity is more than 75%= US \$ 50 million
 - d) 100% foreign owned NBFCs would act as a holding company and specific activities would be undertaken by step-down subsidiaries with minimum 25% domestic equity.
- 4) Scheduling of capitalisation:
 - I) **For foreign equity holding upto 75%:** The minimum capitalisation according to the norms indicated in para 3 above to be brought upfront.
 - II) **For foreign equity holding above 75% and upto 100%:** US \$ 7.5 million to be brought upfront and the balance in over 24 months.
- 5) Domestic equity in the step-down subsidiaries of 100% foreign owned holding companies may be scheduled by bringing 10% domestic equity upfront and the balance domestic equity over a period of 24 months.

Press Note No.3 (1997 Series) issued by Government on 17-1-97 may be deemed to have been amended to the above extent.

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

New Delhi, the 30th April, 1997

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

Sd/-

(Dhiraj Mathur)

Deputy Secretary to the Govt. of India

Press Information Officer
Press Information Bureau,
New Delhi.

Note: ❖ Press Note No.4(1997 Series) has been amended by Press Note No.13(1997 Series)

EXHIBIT NO.62
PRESS NOTE NO.5 (1997 Series)
DELEGATION OF POWERS FOR AUTOMATIC & POST APPROVAL AMENDMENTS FOR EHTP & STP

Subject: Electronics Hardware Technology Park (EHTP) Scheme and Software Technology Park (STP) Scheme Delegation of powers for automatic approvals and post-approval amendments.

The entrepreneurs are aware that two schemes called Electronics Hardware Technology Park (EHTP) scheme and Software Technology Park (STP) scheme are in existence for the manufacture of electronics hardware and development of computer software, for 100% exports. The proposals for setting up units under these schemes are considered by an InterMinisterial Standing Committee (IMSC), chaired by the Secretary, Department of Electronics.

2. Keeping in view the needs of electronics sector, which is growing at a fast pace, Government have decided to simplify the procedure for granting approvals under these schemes, as well as for post-approval amendments. Automatic Approval

3. Applications, which fulfil the following conditions, shall receive approvals, within 15 days, from the Directors of concerned STPS in respect of STP proposals; and the Designated officers in respect of EHTP proposals:-

- i) The project is not included in Schedule I or II of Notification No.477(E) dated 25.27.1991 issued under the Industries(Development & Regulation) Act, 1951;
- ii) The location of the project conforms to the locational policy, announced by Department of Industrial Policy & Promotion;
- iii) The export obligation laid down in the respective EHTP scheme or STP scheme is fulfilled;
- iv) The GIF value of the imported capital goods required for the project does not exceed Rs. 10.00 crores.
- v) Foreign technology proposals envisaged, if any, do not involve Lumpsum knowhow fee exceeding USD 2(Two) million, net of taxes, and 8% royalty on exports and 5% royalty on DTA sales, net of taxes, over a period of 5 years from the date of commencement of commercial production.

vi) The exports shall be made to GCA/HCA countries;

vii) The unit is amenable to bonding by the Customs, and all the manufacturing operations are carried out in the same premises and the proposal does not envisage sending out of the bonded area any RM or inter-mediate products for any other manufacturing or processing activity.

viii) Proposals do not envisage foreign equity/ NRI equity.

CONVERSION of DTA UNITS :

Application for conversion of existing DTA units into EOUs, where there is no outstanding export obligation under EPCG Scheme or Advanced Licensing Scheme, will be allowed, if such DTA unit satisfies the parameters for automatic approval as mentioned above.

4. The applications, which fulfil the above criteria, should be submitted in the prescribed form, to the Directors of STPs or the Designated Officers, as the case may be. All other proposals should be submitted to the Secretariat for Industrial Assistance in the Department of Industrial Policy & Promotion, Udyog Bhavan, New Delhi. The application form shall be submitted in 10 copies. The application will be accompanied by Crossed Demand Draft for RS.1000/- drawn in favour of Pay & Accounts Officer, Department of Industrial Policy and Promotion, Ministry of Industry, payable at the State Bank of India, Nirman Bhavan Branch, New Delhi.

POST-APPROVAL AMENDMENTS

5. Government is conscious of the fact that the project parameters need revision during implementation of the project, necessitating amendments in the approval letters. For expeditious disposal of such cases, powers are being delegated to the Directors of STPs/ the Designated Officers, as the case may be, for following types of proposals:-

- i) Additional Import of Capital Goods : To allow enhancement in the total value of imported CG, to the extent of 50% of value approved originally (whether under automatic route or by IMSC), subject to a maximum limit of Rs. 10.00 crore. One or more requests can be entertained in this regard.

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DELEGATION OF POWERS FOR AUTOMATIC & POST APPROVAL AMENDMENTS FOR EHTP & STP

- ii) Attestation of list of imported CG: To attest the list of imported CG required for the project, within the value approved.
- iii) Broad-banding: In case of EHTP proposals, the applicants may be allowed to manufacture items, other than those specified in the approval letters, subject to the condition that other items fall in the category of electronics hardware; the design and production facilities are common and have similar manufacturing process; import of additional capital; goods is within the limits mentioned under (i) above; and the E.O. under EHTP scheme is fulfilled.
- iv) Change of location: To permit change of location from the place mentioned in the approval letter to another, provided:-
- a) there is no other change in terms & conditions of the approval;
 - b) the new location is within the territorial jurisdiction of the Director STP/ Designated Officers;
 - c) the new location can be customs-bonded;
 - d) the new location also conforms to the locational policy announced by Department of Industrial Policy & Promotion;
- v) Extension of validity of Letters of Permission/Intent: To extend the validity of Letter of Intent/Permission by one year, to enable the applicant to implement the project.
- vi) Disposal of Obsolete capital goods: To allow disposal of obsolete capital goods, on payment of applicable duties. It shall be ensured that the machinery being allowed for disposal has been used for a period of 5 years.
- vii) Import of office equipment: To import of office equipment, up to 20% of the total CG value approved, subject to a maximum of Rs.25.00 lakh.
- Member-Secretary, IMSCS shall also exercise these powers concurrently, in case of necessity.
6. The summary of all cases approved under automatic route in terms of para 3 above by the Directors of STPs/the Designated Officers, as well as post-approval amendments carried out by them under delegated powers, shall be submitted to IMSC regularly for ratification in its next meeting.
7. The jurisdiction of Directors of STPs and the Designated Officers of EHTP is annexed at Annexure I and II of this Press Note.

F. No.10(58)/92-IP

New Delhi, the 21st May, 1997

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

Sd/-

(Dhiraj Mathur)

Deputy Secretary to the Govt. of India

Press Information Officer
Press Information Bureau,
New Delhi.

Note: ❖ Press Note No.5(1997 Series) has been amended by Press Note No.9(1997 Series)

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ANNEXURE-I

**JURISDICTION OF THE DESIGNATED OFFICERS
UNDER EHTP SCHEME STATE/DESIGNATED OFFICERS:**

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| <p>1. Andaman & Nicobar</p> <p>i. Director, Software Technology Park, Multi Storied Complex, Block III, Keonics Electronics City, Hosur Road, Bangalore-562158</p> | <p>9. Goa</p> <p>i. Director, Software Technology Park, UNIT No.35 & 38, Electronics Sadan, NO.II, MIDC Bhosari Block, Pune-411 026.</p> |
| <p>2. Andhra Pradesh</p> <p>i. Director, Software Technology Park, 407, Maitri Vanam Complex, Sanjeeva Reddy Nagar Post, Hyderabad-500 038.</p> | <p>10. Gujarat</p> <p>i. Director, Software Technology Park, 3 LK Society, Opp. Gurukul Drive-in-Road, Ahmedabad-380 052</p> |
| <p>3. Arunachal Pradesh</p> <p>i. Director, Software Technology Park, Priyadarshini Mkt, 2nd Floor, CRP Square, Nayapalli, Bhubaneshwar-751 012.</p> | <p>11. Haryana</p> <p>i. Director, Software Technology Park, 2nd Floor, Block IV, Ganga Shopping Complex, Sector 29, Noida-201 303.</p> |
| <p>4. Assam</p> <p>i. Director, Software Technology Park, Priyadarshini Mkt, 2nd Floor, CRP Square, Nayapalli, Bhubaneshwar-751 012.</p> | <p>12. Himachal Pradesh</p> <p>i. Director, Software Technology Park, 2nd Floor, Block IV, Ganga Shopping Complex, Sector-29, Noida-201 301.</p> |
| <p>5. Bihar</p> <p>i. Director, Software Technology Park, Priyadarshini Mkt, 2nd Floor, CRP Square, Nayapalli, Bhubaneshwar-751 012.</p> | <p>13. Jammu & Kashmir</p> <p>i. Director, Software Technology Park, 2nd Floor, Block IV, Ganga Shopping Complex, Sector 29, Noida-201 303.</p> |
| <p>6. Chandigarh</p> <p>i. Director, Software Technology Park, 2nd Floor, Block IV, Ganga Shopping Complex, Sector 29, Noida-201 303.</p> | <p>14. Kamataka</p> <p>i. Director, Software Technology Park, Multi Storied Complex, Block III, Keonics Electronics City, Hosur Road, Bangalore-561 229</p> |
| <p>7. Daman Diu, Dadra Nagar Haveli</p> <p>i. Director, Software Technology Park, A/78/7/2 Ground Floor, Flatted Factory Shed, Electronics Estate GIDC, Gandhinagar-382 004.</p> | <p>15. Kerala</p> <p>i. Director, Software Technology Park, JV Centre, Bakery Jn. P.B. No.5517, Thiruvananthapuram-695 034</p> |
| <p>8. Delhi</p> <p>i. Director, Software Technology Park, 2nd Floor, Block IV, Ganga Shopping Complex, Sector-29, Noida-201 303.</p> | <p>16. Madhya Pradesh</p> <p>i. Director, Software Technology Park, 2nd Floor, Block IV, Ganga Shopping Complex, Sector-29, Noida-201 303.</p> |

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| <p>17. Maharashtra</p> <p>i. Director, Software Technology Park,
Unit No.35 & 38, Electronics Sadan
NO.II, MIDC Bhosari Block,
Pune-411 026</p> <p>18. Manipur</p> <p>i. Director, Software Technology Park,
Priyadarshani Mkt, 2nd Floor,
CRP Square, Nayapalli,
Bhubaneshwar-751012.</p> <p>19. Orissa</p> <p>i. Director, Software Technology Park,
Priyadarshani Mkt, 2nd Floor,
CRP Square, Nayapalli,
Bhubaneshwar-751 012.</p> <p>20. Punjab</p> <p>i. Director, Software Technology Park,
2nd Floor, Block IV,
Ganga Shopping Complex,
Sector-29, Noida-201 303.</p> <p>21. Pondicherry</p> <p>i. Director, Software Technology Park,
Multi Storied Complex, Block III,
Keonics Electronics City,
Hosur Road, Bangalore-561 229.</p> <p>22. Rajasthan</p> <p>i. Director, Software Technology Park,
2nd Floor, Block IV,
Ganga Shopping Complex,
Sector-29, Noida-201 303.</p> <p>23. Sikkim</p> <p>i. Director, Software Technology Park,
Priyadarshani Mkt, 2nd Floor,
CRP Square, Nayapalli,
Bhubaneshwar-751 012.</p> <p>24. Tamil Nadu</p> <p>i. Director, Software Technology Park,</p> | <p>Multi Storied Complex, Block III,
Keonics Electronics City,
Hosur Road, Bangalore-561 229</p> <p>25. Tripura</p> <p>i. Director, Software Technology Park,
Priyadarshani Mkt, 2nd Floor,
CRP Square; Nayapalli,
Bhubaneshwar-751 012.</p> <p>26. Uttar Pradesh</p> <p>i. Director, Software Technology Park,
2nd Floor, Block IV,
Ganga Shopping Complex,
Sector-29, Noida-201 303.</p> <p>27. West Bengal</p> <p>i. Director, Software Technology Park,
Priyadarshani Mkt, 2nd Floor,
CRP Square, Nayapalli,
Bhubaneshwar-751 012.</p> <p>28. Lakshadweep</p> <p>i. Director, Software Technology Park,
JV Centre, Bakery Jn.
P.B. No.5517,
Thiruvananthapuram-695 034.</p> <p>29. Meghalaya</p> <p>i. Director, Software Technology Park,
Priyadarshani Mkt, 2nd Floor,
CRP Square, Nayapalli,
Bhubaneshwar-751 012.</p> <p>30. Mizoram</p> <p>i. Director, Software Technology Park,
Priyadarshani Mkt, 2nd Floor,
CRP Square, Nayapalli,
Bhubaneshwar-751 012.</p> <p>31. Nagaland</p> <p>i. Director, Software Technology Park,
Priyadarshani Mkt, 2nd Floor,
CRP Square, Nayapalli,
Bhubaneshwar-751 012.</p> |
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ANNEXURE-II

JURISDICTION OF DIRECTORS OF STP'S

SI. No.	Designation and Address	Area/ Jurisdiction
1.	Director-in-Charge STP-Pune Electronics Sadan, No.II, MIDC Bhosari Block, Pune - 411026 Tel.No.(212) 792000 792481 Fax No.(212) 792483	Maharashtra & Goa
2.	Director STP-Noida, Sector-29, Block-IV, 2nd Floor, Ganga Shopping Complex, Noida. Tel.No.(011) 8922538, 8922483 Fax No.(011) 8922538	Uttar Pradesh, Delhi, Haryana Himachal Pradesh, Punjab, Madhya Pradesh, Jammu & Kashmir & Chandigarh
3.	Director, STP-Bangalore, Block III, Multi Storied Complex, Keonics Electronics City, Hosur Road, Bangalore - 561 229 Tel No.(080) 8520633, 8520444 Fax No.(080) 8520958	Karnataka, Tamil Nadu, Pondicherry & Andaman and Nicobar
4.	Director, STP-Hyderabad, 407, Maitri Vanam Complex, Sanjeeva Reddy Nagar Post, Hyderabad - 500 018 Tel.No.(040) 291477, 290817 Fax No.(040) 290652	Andhra Pradesh
5.	Director-in-Charge STP-Bhubaneswar, Priyadarshini Market, (2nd Floor), CRP Square, Nayapalli, Bhubaneswar - 751 012 Tel No.(0674) 407260, 207269 Fax No.(0674) 403669	Bihar & Orissa
6.	Chief Executive Officer, STP-Gandhinagar 3, L.K. Society, Opp-Gurukul Drive-in-Road, Ahmedabad-380052 Tel.No.(079)450976 Fax No.(079) 450976	Gujarat, Daman, Diu, Dadar Nagar Haveli