Government of India 
Ministry of Industry 
Department of Industrial Policy & Promotion
Udyog Bhawan,

1. 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.

(ASHOK KUMAR)
Joint Secretary to the Government of India
F.No.10(43)/98-LP, New Delhi, the 27th August, 1998

(ASHOK KUMAR)
Joint Secretary to the Government of India