

PRESS NOTE NO.1
(1999 SERIES)

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

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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 upto 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 upto 100% on the automatic approval route, provided the total foreign equity in any such project does not exceed Rs.1500 crore.

3. The provisions 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.

5. All other terms and conditions as notified under Press Note No.2(1997 series) dated the 17th January, 1997 and Press Note No.14 (1997 series) dated 8th October, 1997 remain unchanged.

Sd/-

(Ashok Kumar)

Joint Secretary to the Government of India.

New Delhi, the 4th January,1999

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ANNEXURE - III

(Contd)

PART-'D'

**LIST OF INDUSTRIES/ITEMS FOR AUTOMATIC APPROVAL FOR
FOREIGN EQUITY UP TO 100%**

SL NO	NIC Code			Description
	Div	Group	Class	
D-1	40			<u>ELECTRICITY GENERATION, TRANSMISSION AND DISTRIBUTION</u>
		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)
			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/lignite 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
		401		Distribution of electric energy to households, industrial, commercial and other users
D-2	50			<u>CONSTRUCTION</u>
		501		Construction and maintenance of roads, highways, vehicular bridges, toll roads, vehicular tunnels, ports & harbours

Sd/-

(Ashok Kumar)

Joint Secretary to the Government of India.