

EXHIBIT NO.71(Contd.)
PRESS NOTE NO.14 (1997 Series)
REVISED CONSOLIDATED LIST FOR AUTOMATIC APPROVAL FOR FOREIGN EQUITY UP TO 50%/51%/74%

SI. NO.	NIC CODE			Description
	Division	Group	Class	
			380.5	Manufacture of sensitive balance and mathematical calculating instruments.
			380.6	Manufacture of laboratory and scientific instruments n.e.c. (including manufacture of non-optical microscopes, diffraction equipments; apparatus for measuring or checking electrical quantities, e.g. oscilloscopes, spectrum analysers, volt meters, with or without recording devices; 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 of materials, e.g. apparatus for testing hardness and other properties of metals, for testing the ear and tear and other properties of textiles and for testing the physical properties of paper, linoleum, plastic, rubber, wood concrete and of forth; apparatus for carrying out physical or chemical analysis, e.g. polarimeters, refractormeters, 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, e.g. flow meter, level gauges, manometers, heat-meters, 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, tachometers, balancing machines, test benches, comparators (include optical comparators and other optical type measuring and checking appliances and instruments); instruments for checking watches or watch parts and so forth).
			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/lignite based thermal power plants.
			400.3	Generation and transmission of electric energy produced in oil based thermal power plants.

EXHIBIT NO.71(Contd.)
PRESS NOTE NO.14 (1997 Series)
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SI. NO.	NIC CODE			Description
	Division	Group	Class	
			400.4	Generation and transmission of electric energy produced in gas based thermal power plants.
C-5	43			NONCONVENTIONAL ENERGY GENERATION AND DISTRIBUTION.
C-6	50			CONSTRUCTION.
			501	Construction & maintenance of roads, railbeds, bridges, tunnels, pipelines, ropeways, ports, harbors and runways.
			503	Construction & maintenance of waterways and water reservoirs.
			504	Construction and maintenance of hydroelectric projects.
			505	Construction and maintenance of power plants.
			506	Construction, and maintenance of industrial 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.72
PRESS NOTE NO.15 (1997 Series)
DELEGATION OF POWERS FOR EOU & EPZ UNITS

Subject: Delegation of powers for Export Oriented Units and EPZ Units.

Government had delegated certain powers to the Development Commissioners of Export Processing Zones in respect of Export Oriented Units (EOUs) and the EPZ units, vide Press Note No.4(1995 Series) dated 19.4.1995. These powers inter-alia cover extension in the validity period of Letters of Intent/Letter of Permission/Letters of Approval by a period of one year and also to permit disposal of obsolete capital goods (more than 5 years old), in DTA, on payment of applicable duties.

2. In line with the economic reforms, Government have decided to delegate further powers to the Development Commissioners of Export Processing Zones as follows:-

- (i) Extension of the validity period of LOI/ LOP/LOA
To extend the validity period of Letter of Intent/ Letter of Permission/Letter of Approval, in the

case of EOUs 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 oil refinery projects).

- (ii) Disposal of Obsolete Capital Goods

To allow disposal of capital goods, in DTA, on payment of applicable duties, however, disposal of capital goods (used for less than 5 years), in DTA, will be allowed upto a maximum limit of Rs.10 lakh in each financial year for an EOU/ EPZ unit.

While permitting disposal of capital goods in DTA, the Development Commissioners will give due consideration to the fact whether or not there will be replacements for obsolete machinery and that the Export Obligation will be achieved after disposal of machinery.

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

New Delhi, the 10th November, 1997

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

Sd/-
(Dhiraj Mathur)
Director

Press Information Officer
Press Information Bureau
New Delhi.

EXHIBIT NO.73
PRESS NOTE NO.16 (1997 Series)
SETTING UP OF 100% EOUs FOR AQUACULTURE & FISH/PRAWN PROCESSING UNITS

Subject: Setting up of 100% EOUs for Aquaculture and Fish/Prawn Processing Units-prior clearance from the Aquaculture Authority, Chennai.

In pursuance of the directions of the Hon'ble Supreme Court, Government have constituted an Aquaculture Authority at Chennai. All aquaculture projects including fish/prawn processing units (new or existing) are now required to necessarily obtain clearance from the Aquaculture Authority as per the prescribed procedure.

2. Keeping in view the aforesaid decision of Government, it has been decided that applications

for 100% Exoort Oriented Units (EOUs) (with or without foreign collaboration) would need to follow a uniform procedure viz. applications may be submitted to the Secretariat for Industrial Assistance (SIA) and the Fisheries Department of the concerned State simultaneously. All applicants should also submit a Declaration that their proposed project falls outside 500 meters of the CRZ Area. The proposals for setting up such 100% EOUs will be considered by the FIPB/Board of Approvals for 100% EOUs and thereafter by Government, only on receipt of the clearance of the project by the Aquaculture Authority.

3. This is for general information of applicants for such projects.

F. No.10(42)/97-IP

New Delhi, the 1st December, 1997

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

Sd/-
(Dhiraj Mathur)
Director

Press Information Officer
Press Information Bureau
New Delhi.

EXHIBIT NO.74
PRESS NOTE NO.17 (1997 Series)
FILING OF INDUSTRIAL ENTREPRENEURS MEMORANDUM

Subject: Filing of Industrial Entrepreneurs Memorandum - reg.

Under the present Industrial Policy, entrepreneurs are required to submit an Industrial Entrepreneurs Memorandum (IEM) in the prescribed form with five spare copies alongwith a Demand Draft for Rs.1000/- to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy and Promotion, Ministry of Industry. On filing the memorandum, entrepreneurs are given an acknowledgement by the Entrepreneurial Assistance Unit (EAU) of the SIA, Ministry of Industry. Requirement of entrepreneurs having to file a memorandum is intended mainly to conduct a limited post-facto check to see whether the proposed manufacturing activity requires an industrial licence or not.

2. Acknowledgement of the IEM which is given on the spot on prima facie evidence of not attracting the provisions of licensing, cannot, therefore, be construed as a clearance or approval to carry on an industrial activity contemplated in the IEM unless the provisions of statutes/regulations/notifications

etc. issued by the Central or State Governments from time to time or any specific directions or Stay Orders issued by the Court/competent authority relevant to such an activity, are also fully complied with, or in no way contravened, as the case may be.

3. It is therefore, clarified that it is the responsibility of the entrepreneur to ensure that the manufacturing activity, as specified in the IEMs, does not come into conflict with other legal provisions or directions or standing orders. In case of doubt, the entrepreneur may avail of the assistance of the Secretariat for Industrial Assistance to seek clarifications on whether the industrial activity contemplated in the IEM for which an acknowledgment was issued by the SIA would be repugnant to any statutes/regulations/notifications etc. issued by the Central Government or on the details of other legal provisions or directions they have to additionally comply with before such an activity is taken.

4. All concerned are requested to note these clarifications for compliance.

F. No.10(43)/97-IP

New Delhi, the 28th November, 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.

EXHIBIT NO.75
PRESS NOTE NO.18 (1997 Series)
REVISION OF FORM FOR FOREIGN COLLABORATION AND INDUSTRIAL LICENCE-COMPOSITE FORM

Subject: Revision of Form for Foreign Collaboration and Industrial Licence - Composite Form.

At present two separate application forms are prescribed for obtaining approval for foreign investment and technology agreements and for grant of industrial licence. It is considered that a composite application would be more convenient for the entrepreneurs to apply for obtaining FC approvals/ grant of IL. Government have, therefore, decided to

prescribe a composite application forms as given in the Annexure to this Press Note.

2. The EOU form being a part of the EXIM Policy and Handbook of Procedure will remain separate. IEM form is being revised separately for entrepreneurs to file nominations about setting up their units.

3. Henceforth, all proposals for foreign collaboration and industrial licence will be accepted by the SIA in the composite form.

F. No.10(41)/97-IP

New Delhi, the 26th November, 1997

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

Sd/-
(Dhiraj Mathur)
Director

Press Information Officer
Press Information Bureau
New Delhi.

EXHIBIT NO.75(Contd.)
PRESS NOTE NO.18 (1997 Series)
REVISION OF FORM FOR FOREIGN COLLABORATION AND INDUSTRIAL LICENCE-COMPOSITE FORM

FORM - FC/IL
SIA

**COMPOSITE FORM FOR FOREIGN COLLABORATION
AND INDUSTRIAL LICENCE**

Please fill up the attached supplementary sheets

Part A: For only FC/Part B: For only IL/Both Part A and Part B for FC+IL

GENERAL INFORMATION

1. Type of Application (Please [] the Appropriate Boxes)

a) Foreign Collaboration(FC)

For Foreign Investment For Foreign Technology Agreements

b) Industrial Licence(IL)

2. (For Office Use Only)

Applicant No.

Application No.

3. Payment Details(For FC Application No Fee is Payable. For Industrial Licences 2500, *is Payable)

Draft No. _____

Amount(Rs)

Draft Date

Drawn on _____ Payable at _____

1. Name and address of the Promoter/Industrial Undertaking (Indian/foreign) in full (BLOCK LETTERS) for Correspondence:

Name of the Promoter/Indl.

Undertaking

Postal Address

Pin code Telephone

Telex

Cable

E-Mail

II. Registrar of Companies Registration No.

(If Registered)

Note: * Demand Draft should be made in favour of Pay & Accounts Officer, Deptt. of Industrial Development, to be payable at State Bank of India, Nirman Bhawan, New Delhi.

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III. Status of the Promoter/Industrial Undertaking

III(1) Status of the Promoter/Promoter Undertaking

- | | |
|--|--|
| <input type="checkbox"/> 1. Central Government Undertaking | <input type="checkbox"/> 5. Joint Sector Undertaking |
| <input type="checkbox"/> 2. State Government Undertaking | <input type="checkbox"/> 6. Private Sector Undertaking |
| <input type="checkbox"/> 3. State Industrial Government Corpn. | <input type="checkbox"/> 7. Individual Promoter |
| <input type="checkbox"/> 4. Co-operative Undertaking | <input type="checkbox"/> 8. Foreign/NRI/OCB Company |
| | <input type="checkbox"/> 9. Foreign/NRI Individual |

III(2) Indicate whether this proposal is for (Please [] the Appropriate Box)

- 1. Establishment of New Undertaking/Setting up a New Company
- 2. Effecting Substantial Expansion
- 3. Manufacture of New Articles
- 4. Amendments in existing Foreign Collaboration Approval
- 5. Inducting Foreign/NRI equity in existing Indian Company

IV(1) Location of the Factory/Proposed Activities

Location & Address

District

State

Pin Code Telephone

Fax

E-Mail

IV(2) Please indicate whether the proposed location is
(Please [] the Appropriate Box)

- a. Within 25 kms from the periphery of a city having population above one million according to 1991 census
 - Yes No
- b. If Yes, then whether it is located in an Industrial area/Industrial Estate Designated/ set up prior to 25.7.91
 - Yes No

V(A) EXISTING ACTIVITIES TO THE COMPANY (Here also specify Item codes as per National Industrial Classification of All Economic Activity, (NIC), 1987.

V(B) PROPOSED ACTIVITIES OF THE COMPANY

(1) Items of manufacture(including By-product/Co-product) proposed to be undertaken (supplementary sheets may be used if necessary).

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(III) Pattern of share holding in Paid-up Capital (Amount in Rupees)

	Existing		Proposed	
	Equity	%	Equity	%
(a) Foreign Holding	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Preference Share		Percentage	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(b) Non resident Indian Individual Holding/OCB holding				
	Equity	%	Equity	%
(i) Repatriable	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Preference Share		Percentage	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Equity	%	Equity	%
(i) Non-Repatriable	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Preference Share		Percentage	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Equity	%	Equity	%
(i) Resident Holding	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Preference Share		Percentage	
	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(d) Total II [a+b(i+ii)+c]				
Equity	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Preference	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

VII. Proposed Borrowings(in Rupees)

(1) Public Financial Institution	<input type="text"/>
(2) Public Borrowings	<input type="text"/>
(3) Other Sources	<input type="text"/>
(4) ECB	<input type="text"/>
(5) Promoter Contribution	<input type="text"/>
Total Borrowings	<input type="text"/>

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VIII. Please indicate in brief:

- (i) The background of the Indian Promoters/Company including Proprietors/Promotor/Directors(attach separate sheet, if necessary)
- (ii) The background of the Foreign/NRI/OCB Collaborator/Promoter(attach separate sheet, if necessary)

IX. Investment(in Rupees)

	Existing	Proposed
(A) Land	<input type="text"/>	<input type="text"/>
(B) Building	<input type="text"/>	<input type="text"/>
(C) Plant & Machinery	<input type="text"/>	<input type="text"/>
(i) Indigenous	<input type="text"/>	<input type="text"/>
(ii) Imported	<input type="text"/>	<input type="text"/>
(a) CIF Value	<input type="text"/>	<input type="text"/>
(b) Landed Cost	<input type="text"/>	<input type="text"/>
(iii) Total [(i)+(ii)(b)]	<input type="text"/>	<input type="text"/>
(D) Working Capital	<input type="text"/>	<input type="text"/>
(E) Total Investment [A+B+C(iii)]	<input type="text"/>	<input type="text"/>

X. Export commitments/obligation which the applicant is prepared to undertake.

Item Code

	Year	Units(Tonnes/number /meters/any other)	Quantity	%age of Production	FOB Value in Rupees
	(1)	(2)	(3)	(4)	(5)
1st	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2nd	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3rd	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
4th	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
5th etc.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Total

Please indicate buy back arrangements, if any

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XI. Employment

(All Figures in Numbers)

	Existing (if applicable)	Proposed	Total
(a) Supervisory	□ □ □ □ □ □ □ □	□ □ □ □ □ □ □ □	□ □ □ □ □ □ □ □
(b) Non-Supervisory	□ □ □ □ □ □ □ □	□ □ □ □ □ □ □ □	□ □ □ □ □ □ □ □

XII.Expected date of commencement of commercial production

Date	Month	Year
□ □	□ □	□ □ □ □

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PART-A

[For Foreign Collaboration]

XIII. Foreign Investment

(a) Foreign Collaborator

Name _____

Address _____

Country _____

(b) Amount of Foreign Equity Investment

Amount in Rupees

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Percentage of paid-up capital

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XIV. Foreign Technology Agreement

(a) Technical Collaborator

Name _____

Address _____

Country _____

(b) Royalty on Sales

Sales	Percentage of Sales	Period	Please tick [] whichever is applicable
Domestic			Inclusive of taxes
Export			Net of taxes

(c) Nature and quantum of Lumpsum Payment

Name of Foreign Currency	Amount of Foreign exchange required	No. of Instalment in which Payment will be made	Please tick whichever is applicable
			Inclusive of taxes
			Net of taxes

i) Technical know-how fees

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ii) Payment of design/drawing

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iii) Payment for engineering Services

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iv) Payment for use of patents, brand names trade marks and the like

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v) Any other Payments (Please specify the purpose)

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XV. (I) Total foreign Exchange inflow during the period of proposed collaboration

- a) Equity □□□□□□□□□□
- b) Foreign Exchange earnings based on f.o.b. value of export obligation/commitment □□□□□□□□□□

(II) Total foreign Exchange outgo during the period of collaboration

- i) Import of machinery & equipment □□□□□□□□□□
- ii) Import of raw materials & Components □□□□□□□□□□
- iii) Import of Spare and Consumables □□□□□□□□□□
- iv) Dividends & Profits(net of taxes) □□□□□□□□□□
- v) Lumpsum Payment(net of taxes) □□□□□□□□□□
□□□□□□□□□□
- vi) Royalty payments(net of taxes) □□□□□□□□□□
- vii) Design & Drawing Fee □□□□□□□□□□
- viii) Payment of Foreign Technicians □□□□□□□□□□
- ix) Payment of training of Indian Technicians abroad □□□□□□□□□□
- x) Commission of Export etc. □□□□□□□□□□
- xi) Amount of interest to be paid on External commercial borrowing/deferred Payment credit(Specify details) □□□□□□□□□□
- xii) Any other payment(Specify details) □□□□□□□□□□
□□□□□□□□□□

Total (i) to (xii)

Net Foreign Exchange Position

XVI. If this application is for extension of collaboration agreement or renewal of the already expired collaboration agreement

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Part: B
(For IL Application Only)

XVIII. Import Requirements

a. Capital Goods for the Projects

(In rupees)	(US \$ Thousand)

Imported	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>
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Indigenous	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>
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b. Raw Materials(including components, intermediates and packing materials) **per annum**

(In rupees)	(US \$ Thousand)

Imported	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>
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Indigenous	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>
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	ITEM NAME	QUANTITY
1.	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>
	Unit	Value
	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>
2.	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>
	Unit	Value
	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>
3.	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>
	Unit	Value
	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>

c. Consumables & Spares for CG for the Project per annum

Year	(in rupees)	(US \$ Thousand)
Imported	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>
Indigenous	<input style="width: 100%; height: 15px;" type="text"/>	<input style="width: 100%; height: 15px;" type="text"/>

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DECLARATION

I/We hereby certify that the above statements are true and correct to the best of my/our knowledge and belief.

(Signature of Applicant) _____

(Name in Block letters) _____

(Designation of the Signatory) _____

Place _____

Date _____

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Note for Guidance of Entrepreneurs submitting applications for grant of Industrial Licence/approval for Foreign Investment and Technology Agreements.

(This part contains information for the guidance of entrepreneurs and may be retained by them; it need not accompany the application)

GENERAL

1. Application is to be submitted to Secretariat for Industrial Assistance, Department of Industrial Policy & Promotion, Ministry of Industry, Udyog Bhawan, New Delhi with 9 copies of both the application and forwarding letter.
2. Applicants are required to take care in filling up their application properly and completely.
3. The application form should be duly signed and the designation/authority of the person signing the application should be clearly shown.
4. Only the relevant part of the application form should be used. General information is to be furnished by all applicants. Part 'A' is to be filled by entrepreneurs/investors applying for grant of approval for foreign collaboration. Part 'B' is to be used for obtaining Letter of Intent/Industrial Licence. Part 'A' and Part 'B' are to be filled in case of composite proposals involving foreign collaboration and industrial licensing.
5. Application involving grant of Industrial Licence shall be accompanied by a crossed Demand Draft for Rs.2500/- drawn on the State Bank of India, Nirman Bhawan, New Delhi in favour of the "Pay & Accounts Officer, Department of Industrial Development, Ministry of Industry, New Delhi".

I. FOREIGN INVESTMENT

- (i) Approval will be given by the Reserve Bank of India for direct foreign investment upto 50/51/74 per cent foreign equity in high priority industries (Annex III, Annex III Part 'A', Part 'B' and Part 'C'). There shall be no bottlenecks of any kind in this process.
- (ii) The import of components, raw materials and intermediate goods, and payment of know-how fees and royalties will be governed by the general policy applicable to other domestic units.
- (iii) Other foreign equity proposals, including proposals involving 50/51/74 per cent foreign equity which do not meet the criteria under (I) above, will continue to need prior clearance. Foreign equity proposals need not necessarily be accompanied by foreign technology agreements.
- (iv) To provide access to international markets, majority foreign equity holding upto 51 per cent equity will be allowed for trading companies primarily engaged in export activities. While the thrust would be on export activities, such trading houses shall be at par with domestic trading and export house in accordance with the Import-Export Policy.
- (v) For increase/induction of foreign equity in the existing company, the request should be supported by a Board Resolution of the Indian Company.

II) FOREIGN TECHNOLOGY AGREEMENTS

- (I) Automatic permission will be given by the Regional Offices of the Reserve Bank of India for foreign technology agreements in high priority industries (Annex III, Annex III Part 'A', Part 'B' and Part 'C') upto a lumpsum payment of US \$ 2 million, 5% royalty for domestic sales and 8% for exports, subject to total payment of 8% of sales over a 10 year period from date of agreement or 7 years from commencement of production. The prescribed royalty rates are net of taxes and will be calculated according to standard procedures.
- (ii) In respect of industries other than those in Annex III, Annex III Part 'A', Part 'B' and Part 'C', automatic permission will be given subject to the same guidelines as above.

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- (iii) All other proposals will need specific approvals under the general procedures in force.
- (iv) No permission will be necessary for hiring of foreign technicians, foreign testing of indigenously developed technologies. Payment may be made from blanket permits or in free foreign exchange according to RBI guidance.

III. Standard Conditions Attached to Approvals for Foreign Collaborations:-

1. The total non-resident shareholdings in the Indian company should not exceed the amount as well as the percentage specified in the approval letter. For any proposed increase in the amount, as also the percentage of the Non-Resident shareholding, prior approval of the Government shall be obtained.
- 2(a) The royalty will be calculated on the basis of the net ex-factory sale price of the product exclusive of excise duties minus the cost of the standard bought-out components and landed cost of imported components irrespective of the source of procurement, including oceanfreight, insurance, custom duties etc. The payment of royalty will be restricted to the licensed capacity plus 25% in excess thereof for such items requiring industrial license. In case of production in excess of the quantum, prior approval of Government will have to be obtained regarding the terms of payment of royalty in respect of such excess production.
- 2(b) The royalty would not be payable beyond the period of the agreement, if the orders had not been executed during the period of agreement. However, where the order has been booked during the period of agreement, but executed after the period of agreement, royalty would be payable only after the Chartered Accountant Certifies that the orders in fact have been firmly booked and execution began during the period of agreement and the technical assistance was available on a continuing basis even after the period of agreement.
3. The lumpsum shall be paid in three instalments detailed below unless otherwise stipulated in the approval letter - First 1/3rd after the agreement is filed with Reserve Bank of India, Authorised Foreign Exchange Dealer; Second 1/3rd on delivery of technical documentation; Third and final 1/3rd on commencement of commercial production of four years after the agreement is filed with RBI/Authorised Foreign Exchange Dealer, whichever is earlier. The lumpsum can be paid in more than three instalments subject to completion of the activities as specified above.
4. In case the proposed activity is not exempted from the provision of Industrial (Development & Regulation) Act, 1951 and the Foreign Exchange Regulation Act, 1973 it will be your responsibility to obtain such clearances as may be required under the said Acts.
5. The location of the industrial projects, will be subject to Central or State Environmental laws or regulations including local zoning and land use laws and regulations.
6. Adequate steps shall be taken on the satisfaction of the Government to prevent air, water and soil pollution. Such anti-pollution measures to be installed should conform to the effluent and emission standards prescribed by the State Government in which the factory or the industrial undertaking is located.
7. Items reserved for the Small Scale Sector shall not be manufactured without prior approval of the Government as per the prescribed policy and procedure.
8. Since the maximum equity participation allowed for in Small Scale Units is 24%, their company's proposal for having, foreign equity of more than 24% would be subject to the condition that the company would get itself de-registered as a small scale unit and obtain industrial licence or would file Industrial Entrepreneur Memorandum with SIA as per the prescribed policy and procedure.
9. For undertaking export obligation, if any, specified in the approval letter, the requisite guarantee, i.e., legal undertaking/bank guarantee, as may be required should be furnished according to the detailed instructions issued by the Director General of Foreign Trade (EO Cell), Ministry of Commerce, and the Administrative Ministry, who may be contacted in the matter.

EXHIBIT NO.75(Contd.)
PRESS NOTE NO.18 (1997 Series)
REVISION OF FORM FOR FOREIGN COLLABORATION AND INDUSTRIAL LICENCE-COMPOSITE FORM

10. Import of capital equipments, components and raw materials will be allowed as per the import policy prevailing from time to time.
11. The approval is valid for a period of two years from the date of issue. Within this period, the collaboration agreement is requested to be file with the Reserve Bank of India/Authorised Foreign Exchange Dealer.
12. The FC agreement shall be subject to Indian Laws.
13. Foreign Investment Remittance Certificate (FIRC) is required to be sent to the Regional Office, Reserve Bank of India, immediately on receipt of foreign remittance.
14. All remittances to the foreign collaborator shall be made as per the exchange rates prevailing on the day of remittance.
15. A copy of the collaboration agreement, signed by both parties may be furnished to the following authorities:-
 - (A) Administrative Ministry/Department as mentioned in the Approval to be issued by SIA.
 - (B) Secretariat for Industrial Assistance (Foreign Collaboration II Section) Department of Industrial Policy & Promotion, Udyog Bhavan, New Delhi - 110 011.
 - (C) Department of Scientific and Industrial Research, Technology Bhavan, New Mehrauli Road, New Delhi.
16. * The outflow of foreign exchange on account of dividend payment will be balanced by export earnings on the following basis:
 - a) The balancing of the dividends would be over a period of 7 years from commencement of production. Balancing will not be required beyond this period.
 - b) Remittance of dividends should be covered by earnings of the company from export of items covered by the foreign collaboration agreements. You are also permitted to cover remittance of dividends from earning through export of items not covered by the agreement provided they recovered in the list of Industries in Annexure III of Statement of Industrial Policy of 24th July 1991. The amount of dividend payments may be covered by export earnings of such items covered by export earnings of such items covered in years prior to the payment of dividends or in the year of payment of dividends.

(*Wherever applicable)

IV. Hiring of Foreign Technicians

No permission is necessary for hiring of foreign technicians and no application need be made to Government for this purpose irrespective of whether the hiring of foreign technicians is under an approved collaboration agreement or not. As regards release of foreign exchange either against blanket permits or in free foreign exchange, the Reserve Bank of India/ Authorised Dealers may be approached, as per RBI guidelines.

V. Deputation of Indian Personnel for Raining Abroad.

For deputing Indian personnel for training and other purposes abroad, the entrepreneurs may approach only the RBI/Authorised Dealers an per RBI guidelines.

VI. Foreign. Testing of Indigenous Raw Materials and Products and Indigenously Development Technology.

Entrepreneurs may approach RBI/Authorised Dealers for authorising payments either against blanket permits or in free foreign exchange, as per RBI guidelines.