

Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
SIA (FC Division)

PRESS NOTE NO. 6 (2002 SERIES)

Subject: Revision of existing sectoral guidelines for FDI, including investment by non-resident Indians and overseas corporate bodies

As part of the ongoing liberalisation of the FDI regime, the Government, in partial relaxation of the extant policy which prohibits FDI in the agriculture sector, including plantations, has decided to allow FDI up to 100% in tea sector, including tea plantations. Proposals for FDI in tea sector will require prior approval of the Central Government and would be subject to following conditions:

- (i) compulsory divestment of 26% equity of the company in favour of an Indian partner / Indian public within a period of five years; and
- (ii) prior approval of the State Government concerned in case of any future land use change.

The above dispensation would be applicable to all fresh investments (FDI) made in this sector from the date of this notification.

2. The provisions of Press Note No. 2 (2000 series) dated 11.2.2000 stand modified to the above extent.

(M. S. SRINIVASAN)
Joint Secretary to the Government of India

No. 5(9)/2000-FC I dated 5th July 2002