Appendix II

PRIORITY INDUSTRIES OPEN TO FOREIGN INVESTMENT

The list of industries, known as Appendix-I Industries, was revised in 1982. These industries are open to foreign investment, unless the products to be manufactured are among those reserved to the public sector or the small-scale sector, or unless specific industries under these sectors are restricted because foreign investment is no longer considered necessary. Industries not listed below are closed to foreign investors unless production is predominantly for export.

Metallurgical Industries

Ferroalloys; automotive castings (e.g. iron castings and forging); nonferrous metals and their alloys (including aluminum foils); sponge iron and pelletization; large-diameter steel welded pipes (of over 300 mm diameter) and stainless steel pipes; pig iron.

Boilers and Steam-generating Plants

Prime Movers (other than electrical generators)

Industrial turbines; internal combustion engines; alternative energy systems (e.g. solar, wind) and equipment; gas/hydro/steam turbines up to 60Mw.
**Electrical Equipment**

Equipment for transmission and distribution of electricity; electrical motors; electrical furnaces; X-ray equipment; electronic components and equipment; component wires for manufacture of lead-wires; gas /hydro/ steam generators up to 60Ms; generating sets and pumping sets based on internal combustion engines; jelly-filled telecommunication cables; optic fiber; energy-efficient lamps; midget carbon electrodes.

**Transportation**

Mechanized sailing vessels up to 1,000 dwt; ship ancillaries; specialized automotive components; automobiles (including two- three- and four-wheelers, whether personal, public or commercial ); shock absorbers for railway equipment; brake system for railway stock and locomotives.

**Industrial Machinery and Equipment**

Machine tools (including controls and accessories), Jigs, fixtures, tools and dies of specialized types and cross-land tooling; engineering - production aids (e.g. cutting and forming tools, patterns and dies, and mining tools).
Agricultural Machinery

Tractors; self-propelled harvester combines; rice transplanters.

Earth Moving Machinery

Earth moving machinery and construction machinery and components thereof.

Industrial Instruments

Indicating, recording and regulated devices for pressure, temperature, rate of flow, weights, levels, etc.

Scientific and Electromedical Instruments and Laboratory Equipment

Nitrogenous and Phosphatic Fertilizers

Certain inorganic fertilizers listed in the first schedule of the 1951 Industries (Development and Regulation) Act.

Chemicals (other than fertilizers)

Heavy inorganic chemicals; heavy organic chemicals (including petrochemicals); organic fine chemicals; synthetic resines and plastics; synthetic rubbers; man-made fibers; industrial explosives; technical-grade insecticides, fungicides, weed killers, etc; synthetic detergents, and miscellaneous chemicals (for industrial use
only), including catalysis supports; photographic chemicals; rubber chemicals; polyoils; isocyanates, urethanes etc; chemicals for enhanced oil recovery; heating fluids; coal for distillation and products therefrom; tonnage plants for the manufacture of industrial goods; high-altitude breathing oxygen and medical oxygen; nitrous oxide; refrigerant gases such as liquid nitrogen, carbon dioxide etc in large volumes, argon and other rare gases; alkali/acid-resting cement compound; leather chemicals; mining chemicals; and cement chemicals such as binders, quick-setting chemicals and grouting chemicals.

Drugs and Pharmaceuticals

For FERA companies, drug intermediates from the basic stage (for production of high-technology bulk drugs); high-technology bulk drugs from the basic stage and ensuing formulations with an overall ratio of bulk drugs consumption (from own manufacture) to formulation from all sources of 1.5; for non-FERA/MRTP companies, all bulk drugs and formulations with an overall ratio of 1:10 between the value of production of bulk drugs and of formulation.

Paper and Pulp (including paper products)

Industrial Laminates

Automobile Tyres and Tubes

Automobile tyre tube values; rubberized heavy-duty
industrial belting of all types; rubberized conveyor belts; rubber-reinforced and lined fire fighting hoses.

**Plate Glass**

Float glass; toughned-glass insulators; and glass fibers of all types.

**Ceramics**

Refractories; furnace-lining bricks (acidic, basic and natural) and glass.

**Cement Products**

Portland cement; gypsum boards; wallboard, and so on.

**High Technology Reproduction and Multiplication Equipment**

**Carbon and Carbon Products**

Graphite electrodes and anodes; impervious graphic blocks and sheets.

**Pretensioned High Pressure RCC Pipes**

**Rubber Machinery**

**Printing Machinery**

Web-fed or high-speed offset rotary printing machines and high-speed rotogravure printing machines producing 30,000 or more impressions per hour; photocomposing/ typesetting machines; multicolor sheet-fed offset printing
machines of sizes 18" by 25" and above.

Welding Electrodes, other than for Welding Mild Steel

Industrial Synthetic Diamonds

Photosynthesis Improvers

Genetically modified free-living symbiotic nitrogen fixers, pheromones and bioinsecticides.

Extraction and Upgrading of Minor Oils

Prefabricated Building Materials

Soya Products

Textured soya proteins; soya-protein isolates; soya-protein concentrate; other specialized soya-bean products; winterlized and deodorized soya-bean source.

Seeds

Certified high-yielding hybrid seeds; synthetic seeds; certified high yielding plantlets developed through plant-tissue culture.

All food processing industries other than milk foods, malted foods and flour, but excluding items reserved for small-scale sector
All items of packaging for food-processing industries excluding items reserved for small-scale sector

Hotels and Tourism-related Industry