

October 08, 2014

National Stock Exchange of India Limited
Exchange Plaza
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (East)
Mumbai 400 051

Attn: Shri Amit Phatak
Assistant Manager

Dear Sirs,

This is with reference to your query on the news item appeared in the "Times of India" dated October 8, 2014, Page No. 21, captioned "RIL, Punj Lloyd bag defence deals".

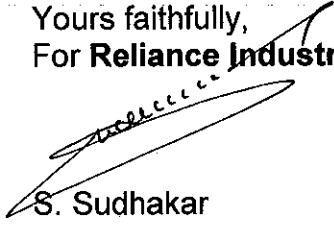
We attach herewith the official press release given by Department of Industrial Policy & Promotion, Ministry of Commerce & Industry ("DIPP")

We would like to state that we have not received any communication in this regard directly from DIPP so far.

We will make further disclosures as appropriate.

Thanking you,

Yours faithfully,
For **Reliance Industries Limited**



S. Sudhakar
Vice President
Corporate Secretarial

Encl: As above.

**Press Information Bureau
Government of India
Ministry of Commerce & Industry**

07-October-2014 17:54 IST

DIPP on a Overdrive to Boost Manufacturing

33 Pending Applications Approved

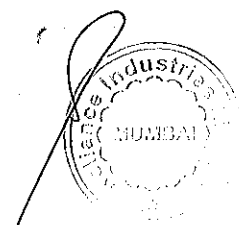
Giving a big boost to "Make In India", the Licensing Committee chaired by Secretary, Department of Industrial Policy & Promotion has last week cleared 19 proposals for grant of Industrial License. These included applications for defence production from major players like, M/s Reliance Aerospace Technologies Limited, M/s Bharat Forge Limited, M/s Mahindra Telephonic Integrated Systems Limited, M/s Punj Lloyd Industries Limited, M/s Mahindra Aero Structure Pvt Limited, M/s Tata Advanced Materials Limited. Many of these proposals were pending in Government for last several years. It has been possible to approve these cases as consequence of the simplification of FDI policy vide Press Note 7 which has raised the FDI cap in defence from 26% to 49% and permitted portfolio investments upto 24% of the total equity of the investee / joint venture company under automatic route and doing away with requirement of 51% equity ownership by a single Indian investor/company.

In case of another additional 14 pending defence applications, applicants were informed that licenses were not required anymore as a vast number of defence items have been delicensed. Vide Press Note 3(2014), Defence Products list for industrial licensing have been issued, wherein large number of parts/components, castings/ forgings etc. have been excluded from preview of industrial licensing. Similarly dual use item, having military as well as civilian application (unless classified as defence items) do not now require Industrial License from defence angle. This has enabled domestic and international companies to undertake manufacturing without going through a lengthy process. The applicant company now only needs to file an Industrial Entrepreneur Memorandum (IEM) for these items and implement his project through the automatic route.

It is expected that clearance of these 33 applications and the deregulation of Defence product List excluding a large number of components from purview of industrial licensing will provide a major impetus to advanced manufacturing in Defence sector.

The Committee also discussed the possibility of removal of stipulation of annual capacity in the Industrial License as also to permit of sale of licensed items to other entities under the control of MHA, State Governments, PSUs and other valid defence licensed companies without requiring approval of DoDP. It was agreed that the above stipulation would be relaxed subject to submission of bi-annual returns by the unit. The DIPP would be shortly notifying the above decision by issue of a Press Note.

Government has taken a series of measures to improve the Ease of Doing Business in India. The emphasis has been on simplification and rationalization of the existing rules and introduction of information technology to make governance more efficient, effective, simple and user friendly. The measures include 24X7 availability of online filing of Industrial License(IL) and Industrial Entrepreneur Memorandum(IEM) applications,



increasing initial validity period of Industrial License to three years, streamlining the processing of applications for grant of extension of validity of Industrial License, treating partial commencement of production as commencement of production for all the items included in the license, adoption of highly contemporary industrial classification code NIC 2008 in place of NIC 1987 and doing away with the requirement of affidavit from the applicants of Defence Industrial License, with the issue of the Defence Security Manual.

