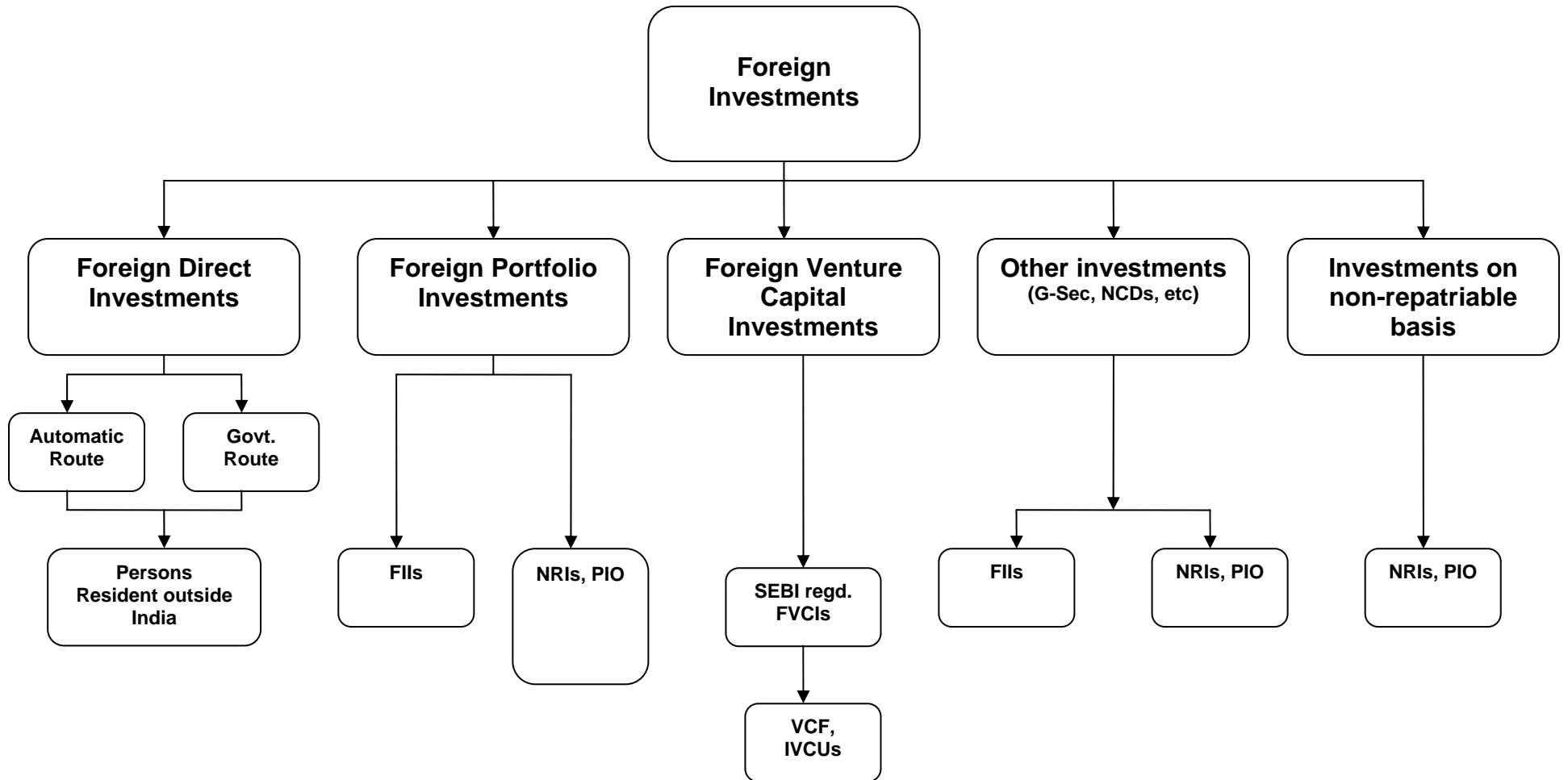


Part – I

Foreign Investments in India—Schematic Representation:





RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2009-10/22

Master Circular No.2/2009-10

July 01, 2009

To,

All Category - I Authorised Dealer banks

Madam / Sir,

Master Circular on Foreign Investment in India

Foreign investment in India is governed by sub-section (3) of Section 6 of the Foreign Exchange Management Act, 1999 read with [Notification No. FEMA 20/2000-RB](#) dated May 3, 2000, as amended from time to time. The regulatory framework and instructions issued by the Reserve Bank have been compiled in this Master Circular. The list of underlying circulars/notifications is furnished in Appendix. In addition to the above, this Master Circular also covers the following areas:

- (i) **Acquisition of immovable property** which is regulated in terms of Section 6(3) (i) of Foreign Exchange Management Act, 1999 read with [Notification No. FEMA 21/2000-RB](#) dated May 3, 2000;
- (ii) **Establishment of Branch/Liaison Office in India**, which is regulated in terms of Section 6(6) of Foreign Exchange Management Act, 1999 read with [Notification No. FEMA 22/2000-RB](#) dated May 3, 2000; and
- (iii) **Investment in capital of partnership firms or proprietary concern** which is regulated in terms of Section 2(h) of Section 47 of Foreign Exchange Management Act, 1999, read with [Notification No. FEMA 24/2000-RB](#) dated May 3, 2000.

2. This [Master Circular](#) is being issued with a sunset clause of one year. This circular will stand withdrawn on July 1, 2010 and be replaced by an updated Master Circular on the subject.

Yours faithfully,

(Salim Gangadharan)
Chief General Manager-in-Charge



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Section - I: Foreign Direct Investment

1. Foreign Direct Investment in India

Foreign Direct Investment (FDI) in India is governed by the FDI Policy announced by the Government of India and the provisions of the Foreign Exchange Management Act (FEMA), 1999. Reserve Bank has issued Notification No. FEMA 20 /2000-RB dated May 3, 2000 which contains the Regulations in this regard. This Notification has been amended from time to time.

2. Entry routes for investments in India

(i) Foreign Direct Investment is freely permitted in almost all sectors. Under the Foreign Direct Investments (FDI) Scheme, investments can be made by non-residents in the shares / convertible debentures / preference shares¹ of an Indian company, through two routes; the Automatic Route and the Government Route. Under the Automatic Route, the foreign investor or the Indian company does not require any approval from the Reserve Bank or Government of India for the investment. Under the Government Route, prior approval of the Government of India, Ministry of Finance, Foreign Investment Promotion Board (FIPB) is required.

If the investor has existing venture or tie-up in India as on January 12, 2005, through investment / technical collaboration / trade mark agreement in the same field in which the Indian company, whose shares are being issued, is engaged, he has to obtain prior permission of Secretariat of Industrial Assistance (SIA) / Foreign Investment Promotion Board (FIPB), to acquire the shares. This restriction is, however, not applicable to the issue of shares for investments to be made by Venture Capital Funds registered with the Securities and Exchange Board of India (SEBI). This restriction is also not applicable for investments by multinational financial institutions; or where in the existing joint venture, investment by either of the parties is less than 3 per cent; or where the existing joint venture / collaboration is defunct or sick or for issue of shares of an Indian company engaged in Information Technology sector or in the mining sector, if the existing joint venture

¹ "Shares" mentioned in this Master Circular means equity shares, "convertible debentures" means fully and mandatorily convertible debentures and "preference shares" means fully and mandatorily convertible preference shares [cf. A. P. (DIR Series) Circular Nos. 73 & 74 dated June 8, 2007]



or technology transfer / trade mark agreement of the person to whom the shares are to be issued are also in the Information Technology sector or in the mining sector for same area / mineral.

Entry route for non-resident investors in India as well as sector-specific investment limits in India are given in Annex -1.

(ii) FDI Policy is formulated by the Government of India. The policy and procedures in respect of FDI in India is available in "***the Manual on Investing in India - Foreign Direct Investment, Policy & Procedures***". This document is available in public domain and can be downloaded from the website of Ministry of Commerce and Industry, Department of Industrial Policy and Promotion - http://www.dipp.nic.in/manual/fdi_text_manual_nov_2006.pdf.

FEMA Regulations prescribe the mode of investments i.e. manner of receipt of funds, issue of shares / convertible debentures and preference shares and reporting of the investments to the Reserve Bank.

3. Prohibition on investment in India

(i) Foreign investment in **any form** is prohibited in a company or a partnership firm or a proprietary concern or any entity, whether incorporated or not (such as, Trusts) which is engaged or proposes to engage in the following activities²:

- (a) Business of chit fund, or
- (b) Nidhi company, or
- (c) Agricultural or plantation activities, or
- (d) Real estate business, or construction of farm houses, or
- (e) Trading in Transferable Development Rights (TDRs).

(ii) It is clarified that "real estate business" does not include development of townships, construction of residential / commercial premises, roads or bridges educational institutions, recreational facilities, city and regional level infrastructure, townships. It is further clarified that partnership firms /proprietorship concerns having investments as per FEMA regulations are not allowed to engage in print Media sector.

² As per Notification no. FEMA 1/2000-RB dated May 3, 2000



(iii) In addition to the above, investment in the **form of FDI** is also prohibited in certain sectors such as (Annex-2)³:

- (a) Retail Trading (except single brand product retailing)
- (b) Atomic Energy
- (c) Lottery Business
- (d) Gambling and Betting
- (e) Business of chit fund
- (f) Nidhi company
- (g) Trading in Transferable Development Rights(TDRs)
- (h) Activities / sectors not opened to private sector investment
- (i) Agriculture (excluding Floriculture, Horticulture, Development of seeds, Animal Husbandry, Pisciculture and cultivation of vegetables, mushrooms, etc. under controlled conditions and services related to agro and allied sectors) and Plantations (other than Tea Plantations)

4. Eligibility for Investment in India

- (i) A person⁴ resident outside India (other than a citizen of Pakistan) or an entity

³ As per Notification no. FEMA 20/2000-RB dated May 3, 2000

⁴ A "person" is defined under FEMA (Section 2 u) as:

- (a) an individual,
 - (b) a Hindu undivided family,
 - (c) a company,
 - (d) a firm,
 - (e) an association of persons or a body of individuals, whether incorporated or not,
 - (f) every artificial juridical person, not falling within any of the preceding sub-clauses, and
 - (g) any agency, office or branch owned or controlled by such person;
- "person resident in India" means—[As per FEMA Sec 2(v)]
 - (i) a person residing in India for more than one hundred and eighty-two days during the course of the preceding financial year but does not include—
 - (A) a person who has gone out of India or who stays outside India, in either case—
 - (a) for or on taking up employment outside India, or
 - (b) for carrying on outside India a business or vocation outside India, or
 - (c) for any other purpose, in such circumstances as would indicate his intention to stay outside India for an uncertain period;
 - (B) a person who has come to or stays in India, in either case, otherwise than—
 - (a) for or on taking up employment in India, or
 - (b) for carrying on in India a business or vocation in India, or
 - (c) for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;
 - (ii) any person or body corporate registered or incorporated in India,
 - (iii) an office, branch or agency in India owned or controlled by a person resident outside India,
 - (iv) an office, branch or agency outside India owned or controlled by a person resident in India;
 - "person resident outside India" means a person who is not resident in India; [As per FEMA Sec 2(w)].



incorporated outside India, (other than an entity incorporated in Pakistan) can invest in India, subject to the FDI Policy of the Government of India. A person who is a citizen of Bangladesh or an entity incorporated in Bangladesh can invest in India under the FDI Scheme, with the prior approval of the FIPB.

(ii) Overseas Corporate Body (OCB) means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non-Resident Indians and includes overseas trust in which not less than sixty per cent beneficial interest is held by Non-Resident Indians, directly or indirectly, but irrevocably. OCBs have been de-recognised as a class of investors in India with effect from September 16, 2003. Erstwhile OCBs which are incorporated outside India and are not under adverse notice of Reserve Bank can make fresh investments under the FDI Scheme as incorporated non-resident entities, with the prior approval of Government of India if the investment is through Government Route; and with the prior approval of Reserve Bank if the investment is through Automatic Route.

5. Type of instruments

- i) Indian companies can issue equity shares, fully and mandatorily convertible debentures and fully and mandatorily convertible preference shares subject to pricing guidelines / valuation norms prescribed under FEMA Regulations.
- ii) Issue of other types of preference shares such as, non-convertible, optionally convertible or partially convertible, have to be in accordance with the guidelines applicable for External Commercial Borrowings (ECBs). Since these instruments are denominated in rupees, the rupee interest rate will be based on the swap equivalent of London Interbank Offered Rate (LIBOR) plus the spread permissible for ECBs of corresponding maturity.
- iii) As far as debentures are concerned, only those which are fully and mandatorily convertible into equity, within a specified time would be reckoned as part of equity under the FDI Policy.

6. Investments in Small Scale Industrial (SSI) units

- (i) A foreign investor can invest in an Indian company which is a Small Scale Industrial Unit provided it is not engaged in any activity which is prohibited under the



FDI policy. Such investments are subject to a limit of 24 per cent of paid-up capital of the Indian company/SSI unit. An SSI unit can issue equity shares / fully and mandatorily convertible preference shares / fully and mandatorily convertible debentures more than 24 per cent of its paid-up capital if :

- a) It has given up its small scale unit status,
- b) It is not engaged or does not propose to engage in manufacture of items reserved for small scale sector, and
- c) It complies with the sectoral caps specified in Annex -1.

(ii) It is clarified that the Indian company / SSI Unit would be reckoned as having given up its SSI status, if the investment in plant and machinery exceeds the limits prescribed under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006.

(iii) An SSI unit, which is an Export Oriented Unit (EOU) or a unit in Free Trade Zone (FTZ) or in Export Processing Zone (EPZ) or in a Software Technology Park (STP) or in an Electronic Hardware Technology Park (EHTP), can issue shares / fully and mandatorily convertible debentures / fully and mandatorily convertible preference shares exceeding 24 per cent of the paid-up capital up to the sectoral caps specified in Annex – 1.

7. Investments in Asset Reconstruction Companies (ARCs)

(i) Persons resident outside India [other than Foreign Institutional Investors (FIIs)], can invest in the equity capital of Asset Reconstruction Companies (ARCs) registered with Reserve Bank only under the Government Route. Automatic Route is not available for such investments. Such investments have to be strictly in the nature of FDI. Investments by FIIs are not permitted in the equity capital of ARCs and FDI is restricted to 49 per cent of the paid-up capital of the ARC.

(ii) However, FIIs registered with SEBI can invest in the Security Receipts (SRs) issued by ARCs registered with Reserve Bank. FIIs can invest up to 49 per cent of each tranche of scheme of SRs, subject to the condition that investment by a single FII in each tranche of SRs shall not exceed 10 per cent of the issue.



8. Investment in infrastructure companies in the Securities Market

Foreign investment is permitted in infrastructure companies in Securities Markets, namely, stock exchanges, depositories and clearing corporations, in compliance with SEBI Regulations and subject to the following conditions :

- i. There is a composite ceiling of 49 per cent for Foreign Investment, with a FDI limit of 26 per cent and an FII limit of 23 per cent of the paid-up capital;
- ii. FDI will be allowed with specific prior approval of FIPB; and
- iii. FII can invest only through purchases in the secondary market.

9. Investment in Credit Information Companies

Foreign investment is permitted in Credit Information Companies in compliance with the Credit Information Companies (Regulations) Act, 2005 and subject to the following :

- i. There is a composite ceiling of 49 per cent for Foreign Investment, with a FDI limit of 25 per cent and an FII limit of 24 per cent of the paid up capital.
- ii. FDI will be allowed with specific prior approval of FIPB and regulatory clearance from the Reserve Bank.
- iii. Investment by SEBI Registered FIIs is permitted only through purchases in the secondary market to an extent of 24 per cent.
- iv. No FII can individually hold directly or indirectly more than 10 per cent of the equity.

10. Investment in Commodity Exchanges

Foreign investment is permitted in Commodity Exchanges subject to the following conditions:

- i. There is a composite ceiling of 49 per cent for Foreign Investment, with a FDI limit of 26 per cent and an FII limit of 23 per cent.
- ii. FDI will be allowed with specific prior approval of the FIPB.
- iii. The FII purchases in equity of Commodity Exchanges are restricted to the secondary markets only.
- iv. Foreign Investment in Commodity Exchanges is also subject to compliance with the regulations issued, in this regard, by the Forward Market Commission.



11. Investment in Public Sector banks

FDI and Portfolio Investment in nationalised banks are subject to overall statutory limits of 20 per cent as provided under Section 3 (2D) of the Banking Companies (Acquisition & Transfer of Undertakings) Acts, 1970/80. The same ceiling would also apply in respect of such investments in State Bank of India and its associate banks.

12. Investments from Nepal & Bhutan

NRIs, resident in Nepal and Bhutan as well as citizens of Nepal and Bhutan are permitted to invest in shares and convertible debentures of Indian companies under FDI Scheme on repatriation basis, subject to the condition that the amount of consideration for such investment shall be paid only by way of inward remittance in **free foreign exchange** through normal banking channels.

13. Issue of Rights / Bonus shares

FEMA provisions allow Indian companies to freely issue Rights / Bonus shares to existing non-resident shareholders, subject to adherence to sectoral cap, if any. However, such issue of bonus / rights shares have to be in accordance with other laws / statutes like the Companies Act, 1956, SEBI (Disclosure and Investor Protection) Guidelines (in case of listed companies), etc. The price of shares offered on rights basis by the Indian company to non-resident shareholders shall not be lower than the price at which such shares are offered to resident shareholders.

14. Prior permission of Reserve Bank for Rights issue to erstwhile OCBs

OCBs have been de-recognised as a class of investors with effect from September 16, 2003. Therefore, companies desiring to issue rights share to such erstwhile OCBs will have to take specific prior permission from the Reserve Bank⁵. As such, entitlement of rights share is not automatically available to OCBs. However, bonus shares can be issued to erstwhile OCBs without the Reserve Bank approval.

15. Additional allocation of rights share by residents to non-residents

Existing non-resident shareholders are allowed to apply for issue of additional shares / convertible debentures / preference shares over and above their rights share entitlements. The investee company can allot the additional rights share out of

⁵ Applications to be addressed to the Chief General Manager-in-Charge, Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central Office, Mumbai



unsubscribed portion, subject to the condition that the overall issue of shares to non-residents in the total paid-up capital of the company does not exceed the sectoral cap.

16. Acquisition of shares under Scheme of Merger / Amalgamation

Mergers and amalgamations of companies in India are usually governed by an order issued by a competent Court on the basis of the Scheme submitted by the companies undergoing merger/amalgamation. Once the scheme of merger or amalgamation of two or more Indian companies has been approved by a Court in India, the transferee company or new company is allowed to issue shares to the shareholders of the transferor company resident outside India, subject to the conditions that :

- (i) the percentage of shareholding of persons resident outside India in the transferee or new company does not exceed the sectoral cap, and
- (ii) the transferor company or the transferee or the new company is not engaged in activities which are prohibited under the FDI policy (refer para 3 above).

17. Issue of shares under Employees Stock Option Scheme (ESOPs)

i) Listed Indian companies are allowed to issue shares under the Employees Stock Option Scheme (ESOPs), to its employees or employees of its joint venture or wholly owned subsidiary abroad who are resident outside India, other than to the citizens of Pakistan. Citizens of Bangladesh can invest with the prior approval of the FIPB. Shares under ESOPs can be issued directly or through a Trust subject to the condition that :

- a. The scheme has been drawn in terms of relevant regulations issued by the SEBI, and
- b. The face value of the shares to be allotted under the scheme to the non-resident employees does not exceed 5 per cent of the paid-up capital of the issuing company.

ii) Unlisted companies have to follow the provisions of the Companies Act, 1956. The Indian company can issue ESOPs to employees who are resident outside India, other than to the citizens of Pakistan. ESOPs can be issued to the citizens of Bangladesh with the prior approval of the FIPB.



- iii) The issuing company is required to report the details of such issues to the Regional Office concerned of the Reserve Bank, within 30 days from the date of issue of shares.

18. Reporting of FDI

(i) Reporting of inflow

- (a) An Indian company receiving investment from outside India for issuing shares / convertible debentures / preference shares under the FDI Scheme, should report the details of the amount of consideration to the Regional Office concerned of the Reserve Bank not later than 30 days from the date of receipt in the Advance Reporting Form enclosed in Annex - 6.

The Form can also be downloaded from the Reserve Bank's website

<http://www.rbi.org.in/Scripts/BSViewFemaForms.aspx>.

- (b) Indian companies are required to report the details of the receipt of the amount of consideration for issue of shares / convertible debentures, through an AD Category - I bank, together with a copy/ies of the FIRC/s evidencing the receipt of the remittance along with the KYC report (enclosed as Annex – 7) on the non-resident investor from the overseas bank remitting the amount. The report would be acknowledged by the Regional Office concerned, which will allot a Unique Identification Number (UIN) for the amount reported.

(ii) Time frame within which shares have to be issued

The equity instruments should be issued within 180 days from the date of receipt of the inward remittance or by debit to the NRE/FCNR (B) account of the non-resident investor. In case, the equity instruments are not issued within 180 days from the date of receipt of the inward remittance or date of debit to the NRE/FCNR (B) account, the amount of consideration so received should be refunded immediately to the non-resident investor by outward remittance through normal banking channels or by credit to the NRE/FCNR (B) account, as the case may be. Non-compliance with the above provision would be reckoned as a contravention under FEMA and could attract penal provisions. In exceptional cases, refund of the amount of consideration outstanding beyond a period of 180 days from the date of receipt may be considered by the Reserve Bank, on the merits of the case.



(iii) Reporting of issue of shares

- (a) After issue of shares (including bonus and shares issued on rights basis) and shares issued under ESOP)/fully and mandatorily convertible debentures / fully and mandatorily convertible preference shares, the Indian company has to file Form FC-GPR, enclosed in Annex - 8, not later than 30 days from the date of issue of shares. The Form can also be downloaded from the Reserve Bank's website http://www.rbi.org.in/Scripts/BS_ViewFemaForms.aspx.
- (b) Part A of Form FC-GPR has to be duly filled up and signed by Managing Director/Director/Secretary of the Company and submitted to the Authorised Dealer of the company, who will forward it to the Reserve Bank. The following documents have to be submitted along with Part A:
- (i) A certificate from the Company Secretary of the company certifying that :
- a) all the requirements of the Companies Act, 1956 have been complied with;
 - b) terms and conditions of the Government's approval, if any, have been complied with;
 - c) the company is eligible to issue shares under these Regulations; and
 - d) the company has all original certificates issued by authorised dealers in India evidencing receipt of amount of consideration.
- (ii) A certificate from Statutory Auditor or Chartered Accountant indicating the manner of arriving at the price of the shares issued to the persons resident outside India.
- (c) The report of receipt of consideration as well as Form FC-GPR have to be submitted by the AD bank to the Regional Office concerned of the Reserve Bank under whose jurisdiction the registered office of the company is situated.
- (d) Part - B of Form FC-GPR should be filed on an annual basis by the Indian company, directly with the Reserve Bank⁶. This is an annual return to be submitted by 31st of July every year, pertaining to all investments by way of direct/portfolio investments/re-invested earnings/other capital in the Indian company made during the previous years (i.e. the information in Part B submitted by 31st July 2009 will pertain to all the investments made in the

⁶ Addressed to the Advisor, Balance of Payment Statistical Division, Department of Statistics and Information Management, Reserve Bank of India, C9, 8th Floor, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051.



previous years up to March 31, 2009). The details of the investments to be reported would include all foreign investments made into the company which is outstanding as on the balance sheet date. The details of overseas investments in the company both under direct / portfolio investment may be separately indicated.

- (e) Issue of bonus/rights shares or stock options to persons resident outside India directly or on amalgamation / merger with an existing Indian company, as well as issue of shares on conversion of ECB / royalty / lumpsum technical know-how fee / import of capital goods by units in SEZs has to be reported in Form FC-GPR.

19. Issue Price

Price of shares issued to persons resident outside India under the FDI Scheme, shall be on the basis of SEBI guidelines in case of listed companies. In case of unlisted companies, valuation of shares has to be done by a Chartered Accountant in accordance with the guidelines issued by the erstwhile Controller of Capital Issues (CCI).

20. Foreign Currency Account

Indian companies which are eligible to issue shares to persons resident outside India under the FDI Scheme will be allowed to retain the share subscription amount in a Foreign Currency Account, with the prior approval of Reserve Bank.

21. Transfer of Shares and convertible debentures

- (i) Foreign investors can also invest in Indian companies by purchasing / acquiring existing shares from Indian shareholders or from other non-resident shareholders. General permission has been granted to non-residents / NRIs for acquisition of shares by way of transfer subject to the following:
- a. A person resident outside India (other than NRI and OCB) may transfer by way of sale or gift, the shares or convertible debentures to any person resident outside India (including NRIs).
 - b. NRIs may transfer by way of sale or gift the shares or convertible debentures held by them to another NRI.



In both the above cases, if the transferee has existing venture or tie-up in India as on January 12, 2005, through investment/technical collaboration/trade mark agreement in the same field in which the Indian company, whose shares are being transferred, is engaged, he has to obtain prior permission of SIA/FIPB to acquire the shares. This restriction is, however, not applicable to the transfer of shares for investments to be made by Venture Capital Funds registered with SEBI; investments by multinational financial institutions (i.e. ADB, IFC, CDC, DEG); or where in the existing joint venture investment by either of the parties is less than 3 per cent; or where the existing joint venture / collaboration is defunct or sick or for transfer of shares of an Indian company engaged in Information Technology sector or in the mining sector, if the existing joint venture or technology transfer/trade mark agreement of the person to whom the shares are to be transferred are also in the Information Technology sector or in the mining sector for same area/mineral.

- c. A person resident outside India can transfer any security to a person resident in India by way of gift.
- d. A person resident outside India can sell the shares and convertible debentures of an Indian company on a recognized Stock Exchange in India through a stock broker registered with stock exchange or a merchant banker registered with SEBI.
- e. A person resident in India can transfer by way of sale, shares / convertible debentures (including transfer of subscriber's shares), of an Indian company in sectors other than financial services sector (i.e. Banks, NBFC, Insurance, ARCs, CICs, infrastructure companies in the securities market viz. Stock Exchanges, Clearing Corporations, and Depositories, Commodity Exchanges, etc.) under private arrangement to a person resident outside India, subject to the guidelines given in Annex - 3.
- f. General permission is also available for transfer of shares / convertible debentures, by way of sale under private arrangement by a person resident outside India to a person resident in India, subject to the guidelines given in Annex - 3.
- g. The above General Permission also covers transfer by a resident to a non-resident of shares / convertible debentures of an Indian company, engaged in



an activity earlier covered under the Government Route but now falling under Automatic Route of RBI, as well as transfer of shares by a non-resident to an Indian company under buyback and / or capital reduction scheme of the company. However, this General Permission is not available in case of transfer of shares / debentures, from a Resident to a Non-Resident / Non-Resident Indian, of an entity engaged in any activity in the financial services sector (i.e. Banks, NBFCs, ARCs, CICs, Insurance, infrastructure companies in the securities market such as Stock Exchanges, Clearing Corporations, and Depositories, Commodity Exchanges etc.).

(ii) Reporting of transfer of shares between residents and non-residents and vice-versa is to be done in Form FC-TRS (enclosed in Annex - 9). The Form FC-TRS should be submitted to the AD Category – I bank, within 60 days from the date of receipt of the amount of consideration. The onus of submission of the Form FC-TRS within the given timeframe would be on the transferor / transferee, resident in India. The AD Category – I bank, would forward the same to its link office. The link office would consolidate the Form FC-TRS and submit a monthly report to the Reserve Bank⁷.

(iii) The sale consideration in respect of equity instruments purchased by a person resident outside India, remitted into India through normal banking channels, shall be subjected to a KYC check by the remittance receiving AD Category – I bank at the time of receipt of funds. In case, the remittance receiving AD Category – I bank is different from the AD Category - I bank handling the transfer transaction, the KYC check should be carried out by the remittance receiving bank and the KYC report be submitted by the customer to the AD Category – I bank carrying out the transaction along with the Form FC-TRS.

(iv) AD Category – I banks have been given general permission to open Escrow account and Special account of non-resident corporates for open offers / exit offers and delisting of shares. The relevant SEBI (SAST) Regulations or any other applicable SEBI Regulations / provisions of the Companies Act, 1956 will be applicable.

⁷ To the Chief General Manager-in-Charge, Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central Office, Mumbai



22. Prior permission of RBI in certain cases for transfer of security

(i) The following instances of transfer of shares from residents to non-residents by way of sale require Reserve Bank approval:

- a) Transfer of shares or convertible debentures of an Indian company engaged in financial services sector (i.e. Banks, NBFCs, Asset Reconstruction Companies, CICs, Insurance, Infrastructure companies in the securities market such as, Stock Exchanges, Clearing Corporations, and Depositories, Commodity Exchanges, etc.).
- b) Transactions which attract the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.
- c) The activity of the Indian company whose securities are being transferred falls outside the automatic route and the approval of the FIPB has been obtained for the said transfer.
- d) The transfer is to take place at a price which falls outside the pricing guidelines specified by the Reserve Bank from time to time.
- e) Transfer of equity instruments where the non-resident acquirer proposes deferment of payment of the amount of consideration, prior approval of the Reserve Bank would be required. Further, in case approval is granted for a transaction, the same should be reported in Form FC-TRS, duly certified by the AD Category – I bank, within 60 days from the date of receipt of the full and final amount of consideration.

(ii) The following instances of transfer of shares from residents to non-residents by way of sale or otherwise requires Government approval followed by permission from RBI:

- a. Transfer of shares of companies engaged in sectors falling under the Government Route.
- b. Transfer of shares resulting in foreign investments in the Indian company, breaching the sectoral cap applicable.

(iii) A person resident in India, who intends to transfer any security, by way of gift to a person resident outside India, has to obtain prior approval from Reserve



Bank⁸. While forwarding applications to Reserve Bank for approval for transfer of shares by way of gift, the documents mentioned in Annex - 4 should be enclosed. Reserve Bank considers the following factors while processing such applications:

- a) The proposed transferee (donee) is eligible to hold such security under Schedules 1, 4 and 5 of Notification No. FEMA 20/2000-RB dated May 3, 2000, as amended from time to time.
- b) The gift does not exceed 5 per cent of the paid-up capital of the Indian company / each series of debentures / each mutual fund scheme.
- c) The applicable sectoral cap limit in the Indian company is not breached.
- d) The transferor (donor) and the proposed transferee (donee) are close relatives as defined in Section 6 of the Companies Act, 1956, as amended from time to time. The current list is reproduced in Annex - 5.
- e) The value of security to be transferred together with any security already transferred by the transferor, as gift, to any person residing outside India does not exceed the rupee equivalent of USD 25,000 **during a calendar year**.
- f) Such other conditions as stipulated by Reserve Bank in public interest from time to time.

23. Conversion of ECB / Lumpsum Fee / Royalty / Import of capital goods by SEZs in to Equity

- (i) Indian companies have been granted general permission for conversion of External Commercial Borrowings (ECB) into shares / preference shares, subject to the following conditions and reporting requirements.
 - a) The activity of the company is covered under the Automatic Route for FDI or the company has obtained Government approval for foreign equity in the company;
 - b) The foreign equity after conversion of ECB into equity is within the sectoral cap, if any;
 - c) Pricing of shares is as per SEBI regulations or erstwhile CCI guidelines in the case of listed or unlisted companies respectively; and

⁸ Addressed to the Chief General Manager-in-Charge, Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central Office, 11th floor, Fort, Mumbai 400 001 along with the documents prescribed in Annex-4.



- d) Compliance with the requirements prescribed under any other statute and regulation in force.
 - e) The conversion facility is available for ECBs availed under the Automatic or Approval Route and is applicable to ECBs, due for payment or not, as well as secured / unsecured loans availed from non-resident collaborators.
- (ii) General permission is also available for issue of shares / preference shares against lump-sum technical know-how fee, royalty, under automatic route or SIA / FIPB route, subject to pricing guidelines of SEBI / CCI and compliance with applicable tax laws.
- (iii) Units in Special Economic Zones (SEZs) are permitted to issue equity shares to non-residents against import of capital goods subject to the valuation done by a Committee consisting of Development Commissioner and the appropriate Customs officials.

(iv) Reporting

Details of issue of shares against conversion of ECB has to be reported to the Regional Office concerned of the Reserve Bank, as indicated below:

- a. In case of **full conversion** of ECB into equity, the company shall report the conversion in Form FC-GPR to the Regional Office concerned of the Reserve Bank as well as in Form ECB-2 to the Department of Statistics and Information Management (DSIM), Reserve Bank of India, Bandra-Kurla Complex, Mumbai – 400 051, within seven working days from the close of month to which it relates. The words "ECB wholly converted to equity" shall be clearly indicated on top of the Form ECB-2. Once reported, filing of Form ECB-2 in the subsequent months is not necessary.
- b. In case of **partial conversion** of ECB, the company shall report the converted portion in Form FC-GPR to the Regional Office concerned as well as in Form ECB-2 clearly differentiating the converted portion from the non-converted portion. The words "ECB partially converted to equity" shall be indicated on top of the Form ECB-2. In the subsequent months, the outstanding balance of ECB shall be reported in Form ECB-2 to DSIM.



- c. The SEZ unit issuing equity as mentioned in para (iii) above, should report the particulars of the shares issued in the Form FC-GPR.

24. Remittance of sale proceeds

AD Category – I bank can allow the remittance of sale proceeds of a security (net of applicable taxes) to the seller of shares resident outside India, provided the security has been held on repatriation basis, the sale of security has been made in accordance with the prescribed guidelines and NOC / tax clearance certificate from the Income Tax Department has been produced.

25. Remittance on winding up/liquidation of Companies

AD Category – I banks have been allowed to remit winding up proceeds of companies in India, which are under liquidation, subject to payment of applicable taxes. Liquidation may be subject to any order issued by the court winding up the company or the official liquidator in case of voluntary winding up under the provisions of the Companies Act, 1956. AD Category – I banks shall allow the remittance provided the applicant submits:

- i. No objection or Tax clearance certificate from Income Tax Department for the remittance.
- ii. Auditor's certificate confirming that all liabilities in India have been either fully paid or adequately provided for.
- iii. Auditor's certificate to the effect that the winding up is in accordance with the provisions of the Companies Act, 1956.
- iv. In case of winding up otherwise than by a court, an auditor's certificate to the effect that there is no legal proceedings pending in any court in India against the applicant or the company under liquidation and there is no legal impediment in permitting the remittance.

26. Issue of shares by Indian companies under ADR / GDR

- i) Depository Receipts (DRs) are negotiable securities issued outside India by a Depository bank, on behalf of an Indian company, which represent the local Rupee denominated equity shares of the company held as deposit by a Custodian bank in India. DRs are traded on Stock Exchanges in the US, Singapore, Luxembourg, etc. DRs listed and traded in the US markets are known as



American Depository Receipts (ADRs) and those listed and traded elsewhere are known as Global Depository Receipts (GDRs). In the Indian context, DRs are treated as FDI.

ii) Indian companies can raise foreign currency resources abroad through the issue of ADRs/GDRs, in accordance with the Scheme for issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and guidelines issued by the Government of India thereunder from time to time.

iii) A company can issue ADRs / GDRs if it is eligible to issue shares to persons resident outside India under the FDI Scheme. However, an Indian listed company, which is not eligible to raise funds from the Indian Capital Market including a company which has been restrained from accessing the securities market by the Securities and Exchange Board of India (SEBI) will not be eligible to issue ADRs/GDRs.

iv) Unlisted companies, which have not yet accessed the ADR/GDR route for raising capital in the international market, would require prior or simultaneous listing in the domestic market, while seeking to issue such overseas instruments. Unlisted companies, which have already issued ADRs/GDRs in the international market, have to list in the domestic market on making profit or within three years of such issue of ADRs/GDRs, whichever is earlier.

ADRs / GDRs are issued on the basis of the ratio worked out by the Indian company in consultation with the Lead Manager to the issue. The proceeds so raised have to be kept abroad till actually required in India. Pending repatriation or utilisation of the proceeds, the Indian company can invest the funds in:-

- a. Deposits with or Certificate of Deposit or other instruments offered by banks who have been rated by Standard and Poor, Fitch, IBCA or Moody's, etc. and such rating not being less than the rating stipulated by Reserve Bank from time to time for the purpose;
- b. Deposits with branch/es of Indian Authorised Dealers outside India; and
- c. Treasury bills and other monetary instruments with a maturity or unexpired maturity of one year or less.



- v) There are no end-use restrictions except for a ban on deployment / investment of such funds in real estate or the stock market. There is no monetary limit up to which an Indian company can raise ADRs / GDRs.
- vi) The ADR / GDR proceeds can be utilised for first stage acquisition of shares in the disinvestment process of Public Sector Undertakings / Enterprises and also in the mandatory second stage offer to the public in view of their strategic importance.
- vii) Voting rights on shares issued under the Scheme shall be as per the provisions of Companies Act, 1956 and in a manner in which restrictions on voting rights imposed on ADR/GDR issues shall be consistent with the Company Law provisions. Voting rights in the case of banking companies will continue to be in terms of the provisions of the Banking Regulation Act, 1949 and the instructions issued by the Reserve Bank from time to time, as applicable to all shareholders exercising voting rights.
- viii) Erstwhile OCBs who are not eligible to invest in India and entities prohibited to buy, sell or deal in securities by SEBI will not be eligible to subscribe to ADRs / GDRs issued by Indian companies.
- ix) The pricing of ADR / GDR issues should be made at a price determined under the provisions of the Scheme of issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and guidelines issued by the Government of India and directions issued by the Reserve Bank, from time to time.
- x) The pricing of sponsored ADRs/GDRs would be determined under the provisions of the Scheme of issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and guidelines issued by the Government of India and directions issued by the Reserve Bank, from time to time.

27. Two-way Fungibility Scheme

A limited two-way Fungibility scheme has been put in place by the Government of India for ADRs / GDRs. Under this Scheme, a stock broker in India, registered with SEBI, can purchase shares of an Indian company from the market for conversion into ADRs/GDRs based on instructions received from overseas investors. Re-



issuance of ADRs / GDRs would be permitted to the extent of ADRs / GDRs which have been redeemed into underlying shares and sold in the Indian market.

28. Sponsored ADR/GDR issue

An Indian company can also sponsor an issue of ADR / GDR. Under this mechanism, the company offers its resident shareholders a choice to submit their shares back to the company so that on the basis of such shares, ADRs / GDRs can be issued abroad. The proceeds of the ADR / GDR issue is remitted back to India and distributed among the resident investors who had offered their Rupee denominated shares for conversion. These proceeds can be kept in Resident Foreign Currency (Domestic) accounts in India by the resident shareholders who have tendered such shares for conversion into ADRs / GDRs.

29. Reporting of ADR/GDR Issues

The Indian company issuing ADRs / GDRs has to furnish to the Reserve Bank, full details of such issue in the Form enclosed in Annex -10, within 30 days from the date of closing of the issue. The company should also furnish a quarterly return in the Form enclosed in Annex - 11, to the Reserve Bank within 15 days of the close of the calendar quarter. The quarterly return has to be submitted till the entire amount raised through ADR/GDR mechanism is either repatriated to India or utilized abroad as per the extant Reserve Bank guidelines.



Section - II: Foreign Portfolio Investments

1. Portfolio Investment Scheme (PIS)

(i) Foreign Institutional Investors (FIIs) registered with SEBI and Non-resident Indians (NRIs) are eligible to purchase shares and convertible debentures issued by Indian companies under the Portfolio Investment Scheme (PIS).

(ii) The FIIs, which have been granted registration by SEBI, should approach their designated AD Category - I bank (known as Custodian bank), for opening a foreign currency account and / or a Non Resident Special Rupee Account.

(iii) NRIs can approach the designated branch of any AD Category - I bank authorised by the Reserve Bank to administer the Portfolio Investment Scheme for permission to open a NRE/NRO account under the Scheme for routing investments.

2. Investment by FIIs under PIS

Reserve Bank has given general permission to SEBI registered FIIs/sub-accounts to invest under the PIS.

(i) Shareholding

(a) Total shareholding of each FII/sub-account under this Scheme shall not exceed 10 per cent of the total paid-up capital or 10 per cent of the paid-up value of each series of convertible debentures issued by the Indian company.

(b) Total holdings of all FIIs /sub-accounts put together shall not exceed 24 per cent of the paid-up capital or paid-up value of each series of convertible debentures. This limit of 24 per cent can be increased to the sectoral cap / statutory limit, as applicable to the Indian company concerned, by passing a resolution of its Board of Directors followed by a special resolution to that effect by its General Body.

(c) A domestic asset management company or portfolio manager, who is registered with SEBI as an FII for managing the fund of a sub-account can make investments under the Scheme on behalf of;

- i. a person resident outside India who is a citizen of a foreign state, or
- ii. a body corporate registered outside India;

Provided, such investment is made out of funds raised or collected or brought from outside through normal banking channel. Investments by such entities



shall not exceed 5 per cent of the total paid-up equity capital or 5 per cent of the paid-up value of each series of convertible debentures issued by an Indian company, and shall also not exceed the overall ceiling specified for FIIs.

(ii) Prohibition on investments

- (a) FIIs are not permitted to invest in equity shares issued by an Asset Reconstruction Company.
- (b) FIIs are also not allowed to invest in any company which is engaged or proposes to engage in the following activities:
 - i) Business of chit fund, or
 - ii) Nidhi company, or
 - iii) Agricultural or plantation activities, or
 - iv) Real estate business, or construction of farm houses, or
 - v) Trading in Transferable Development Rights (TDRs).

"Real estate business" does not include construction of housing / commercial premises, educational institutions, recreational facilities, city and regional level infrastructure, townships.

3. Short Selling by FIIs

Foreign Institutional Investors (FIIs) registered with SEBI and sub-accounts of FIIs are permitted to short sell, lend and borrow equity shares of Indian companies. Short selling, lending and borrowing of equity shares of Indian companies shall be subject to such conditions as may be prescribed by the Reserve Bank and the SEBI / other regulatory agencies from time to time. The permission is subject to the following conditions:

- a) The FII participation in short selling as well as borrowing / lending of equity shares will be subject to the current FDI policy and short selling of equity shares by FIIs shall not be permitted for equity shares of Indian companies which are in the ban list and / or caution list of the Reserve Bank.
- b) Borrowing of equity shares by FIIs shall only be for the purpose of delivery into short sales.
- c) The margin / collateral shall be maintained by FIIs only in the form of cash. No interest shall be paid to the FII on such margin/collateral.



4. Exchange Traded Derivative Contracts

(i) SEBI registered FII are allowed to trade in all exchange traded derivative contracts approved by RBI/SEBI on recognised Stock Exchanges in India subject to the position limits and margin requirements as prescribed by RBI / SEBI from time to time as well as the stipulations regarding collateral securities as directed by the Reserve Bank from time to time. The SEBI registered FII / sub-account may open a separate account under their Special Non-Resident Rupee Account through which all receipts and payments pertaining to trading / investment in exchange traded derivative contracts will be made (including initial margin and mark to market settlement, transaction charges, brokerage, etc.). Further, transfer of funds between the Special Non-Resident Rupee Account and the separate account maintained for the purpose of trading in exchange traded derivative contracts can be freely made. However, repatriation of the Rupee amount will be made only through their Special Non-Resident Rupee Account subject to payment of relevant taxes. The AD Category – I banks have to keep proper records of the above mentioned separate account and submit them to the Reserve Bank as and when required.

(ii) FIIs are allowed to offer foreign sovereign securities with AAA rating as collateral to the recognised Stock Exchanges in India for their transactions in derivatives segment. SEBI approved clearing corporations of stock exchanges and their clearing members are allowed to undertake the following transactions subject to the guidelines issued from time to time by SEBI in this regard:

- a. to open and maintain demat accounts with foreign depositories and to acquire, hold, pledge and transfer the foreign sovereign securities, offered as collateral by FIIs;
- b. to remit the proceeds arising from corporate action, if any, on such foreign sovereign securities; and
- c. to liquidate such foreign sovereign securities if the need arises.

(iii) Clearing Corporations have to report, on a monthly basis, the balances of foreign sovereign securities, held by them as non-cash collaterals of their clearing



members to the Reserve Bank⁹. The report should be submitted by the 10th of the following month to which it relates.

5. Accounts with AD Category – I banks

(i) FII/sub-accounts can open a Foreign Currency Account and / or a Special Non-Resident Rupee Account with an AD Category – I bank, for the purpose of investment.

(ii) They can transfer sums from the Foreign Currency Account to the Special Non-Resident Rupee Account for making genuine investments in securities in terms of the SEBI (FII) Regulations, 1995.

(iii) The sums may be transferred from foreign currency account to Special Non-Resident Rupee Account at the prevailing market rate and the AD Category - I bank may transfer repatriable proceeds (after payment of tax) from the Special Non-Resident Rupee Account to the Foreign Currency account.

(iv) The Special Non-Resident Rupee Account may be credited with the sale proceeds of shares / debentures, dated Government securities, Treasury Bills, etc. Such credits are allowed, subject to the condition that the AD Category - I bank should obtain confirmation from the investee company / FII concerned that tax at source, wherever necessary, has been deducted from the gross amount of dividend / interest payable / approved income to the share / debenture / Government securities holder at the applicable rate, in accordance with the Income Tax Act.

(v) The Special Non-Resident Rupee Account may be debited for purchase of shares / debentures, dated Government securities, Treasury Bills, etc., and for payment of fees to applicant FIIs' local Chartered Accountant / Tax Consultant where such fees constitute an integral part of their investment process.

6. Private placement with FIIs

SEBI registered FIIs have been permitted to purchase shares / convertible debentures of an Indian company through offer/private placement, subject to the ceilings prescribed, i.e. individual FII/sub account -10 per cent and all FIIs/sub-accounts put together - 24 per cent of the paid-up capital of the Indian company or to the sectoral limits, as applicable. Indian company is permitted to issue such shares provided that:

⁹ Addressed to the Chief General Manager-in-Charge, Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central Office, Mumbai.



- a) in the case of public offer, the price of shares to be issued is not less than the price at which shares are issued to residents; and
- b) in the case of issue by private placement, the price is not less than the price arrived at in terms of SEBI guidelines or guidelines issued by the erstwhile Controller of Capital Issues, as applicable. Purchases can also be made of compulsorily and mandatorily Convertible Debentures / Right Renunciations / Units of Domestic Mutual Fund Schemes.

7. Reporting of FII investments

- (i) An FII may invest in a particular share issue of an Indian company either under the FDI Scheme or the Portfolio Investment Scheme. The AD Category – I banks have to ensure that the FIIs who are purchasing the shares by debit to the Special Non-Resident Rupee Account report these details separately in the Form LEC (FII).
- (ii) The Indian company which has issued shares to FIIs under the FDI Scheme (for which the payment has been received directly into company's account) and the Portfolio Investment Scheme (for which the payment has been received from FIIs' account maintained with an AD Category – I bank in India) should report these figures separately under item no. 5 of Form FC-GPR (Annex - 8) (Post-issue pattern of shareholding) so that the details could be suitably reconciled for statistical / monitoring purposes.
- (iii) A daily statement in respect of all transactions (except derivative trade) have to be submitted by the custodian bank in floppy / soft copy in the prescribed format directly to Reserve Bank¹⁰ to monitor the overall ceiling / sectoral cap / statutory ceiling.

8. Investments by Non-Resident Indians (NRIs)

- (i) NRIs are allowed to invest in shares of listed Indian companies in recognised Stock Exchanges under the PIS. NRIs can invest through designated ADs, on repatriation and non-repatriation basis under PIS route up to 5 per cent of the paid-

¹⁰ Addressed to the Chief General Manager- in-Charge, Foreign Exchange Department, Reserve Bank of India, Foreign Investment Division, Central Office, Central Office Building, Mumbai 400 001.



up capital / paid-up value of each series of debentures of listed Indian companies. The aggregate paid-up value of shares / convertible debentures purchased by all NRIs cannot exceed 10 per cent of the paid-up capital of the company / paid-up value of each series of debentures of the company. The aggregate ceiling of 10 per cent can be raised to 24 per cent, if the General Body of the Indian company passes a special resolution to that effect.

(ii) The NRI investor has to take delivery of the shares purchased and give delivery of shares sold. Short Selling is not permitted.

(iii) Payment for purchase of shares and/or debentures on repatriation basis has to be made by way of inward remittance of foreign exchange through normal banking channels or out of funds held in NRE/FCNR(B) account maintained in India. If the shares are purchased on non-repatriation basis, the NRIs can also utilise their funds in NRO account in addition to the above.

(iv) The link office of the designated branch of an AD Category – I bank shall furnish to the Reserve Bank¹¹, a report on a daily basis on PIS transactions undertaken by it, such report can be furnished on-line or on a floppy to the Reserve Bank.

(v) Shares purchased by NRIs on the stock exchange under PIS cannot be transferred by way of sale under private arrangement or by way of gift (except by NRIs to their relatives as defined in Section 6 of Companies Act, 1956 or to a charitable trust duly registered under the laws in India) to a person resident in India or outside India without prior approval of the Reserve Bank.

(vi) NRIs are allowed to invest in Exchange Traded Derivative Contracts approved by SEBI from time to time out of Rupee funds held in India on non-repatriation basis, subject to the limits prescribed by SEBI.

9. Monitoring of investment position by RBI

Reserve Bank monitors the investment position of FIIs/NRIs in listed Indian companies, reported by Custodian/designated AD banks, on a daily basis, in Forms LEC (FII) and LEC (NRI).

¹¹ Addressed to the Chief General Manager- in-Charge, Foreign Exchange Department, Reserve Bank of India, Foreign Investment Division, Central Office, Central Office Building, Mumbai 400 001.



10. Caution List

When the total holdings of FIIs/NRIs under the Scheme reach the limit of 2 per cent below the sectoral cap, Reserve Bank will issue a notice to all designated branches of AD Category - I banks cautioning that any further purchases of shares of the particular Indian company will require prior approval of the Reserve Bank. Reserve Bank gives case-by-case approvals to FIIs for purchase of shares of companies included in the Caution List. This is done on a first-come-first-served basis.

11. Ban List

Once the shareholding by FIIs/NRIs reaches the overall ceiling / sectoral cap / statutory limit, the Reserve Bank places the company in the Ban List. Once a company is placed in the Ban List, no FII or NRI can purchase the shares of the company under the Portfolio Investment Scheme.

12. Investments by Overseas Corporate Bodies (OCBs)

With effect from November 29, 2001, OCBs are not permitted to invest under the Portfolio Investment Scheme (PIS) in India. Further, the OCBs which have already made investments under the PIS are allowed to continue holding such shares / convertible debentures till such time these are sold on the stock exchange. OCBs have been de-recognised as a class of investors in India with effect from September 16, 2003.



Section - III: Foreign Venture Capital Investments

Investments by Venture Capital Funds

- (i) A SEBI registered Foreign Venture Capital Investor (FVCI) with specific approval from RBI under FEMA Regulations can invest in Indian Venture Capital Undertaking (IVCU) or Indian Venture Capital Fund (IVCF) or in a Scheme floated by such IVCFs subject to the condition that the VCF should also be registered with SEBI.

An IVCU is defined as a company incorporated in India whose shares are not listed on a recognized stock exchange in India and which is not engaged in an activity under the negative list specified by SEBI. A VCF is defined as a fund established in the form of a trust, a company including a body corporate and registered under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 which has a dedicated pool of capital raised in a manner specified under the said Regulations and which invests in Venture Capital Undertakings in accordance with the said Regulations.

- (ii) FVCIs can purchase equity / equity linked instruments / debt / debt instruments, debentures of an IVCU or of a VCF through initial public offer or private placement in units of schemes / funds set up by a VCF. At the time of granting approval, the Reserve Bank permits the FVCI to open a Foreign Currency Account and/or a Rupee Account with a designated branch of an AD Category – I bank.
- (iii) The purchase / sale of shares, debentures and units can be at a price that is mutually acceptable to the buyer and the seller.
- (iv) AD Category – I banks can offer forward cover to FVCIs to the extent of total inward remittance. In case the FVCI has made any remittance by liquidating some investments, original cost of the investments has to be deducted from the eligible cover to arrive at the actual cover that can be offered.



Section - IV: Other Foreign Investments

1. Purchase of other securities by NRIs

(i) On non-repatriation basis

- (a) NRIs can purchase shares / convertible debentures issued by an Indian company on non-repatriation basis without any limit. Amount of consideration for such purchase shall be paid by way of inward remittance through normal banking channels from abroad or out of funds held in NRE / FCNR(B) / NRO account maintained with the AD Category - I bank.
- (b) NRI can also, without any limit, purchase on non-repatriation basis dated Government securities, treasury bills, units of domestic mutual funds, units of Money Market Mutual Funds. Government of India has notified that NRIs are not permitted to make Investments in Small Savings Schemes including PPF. In case of investment on non-repatriation basis, the sale proceeds shall be credited to NRO account. The amount invested under the scheme and the capital appreciation thereon will not be allowed to be repatriated abroad.

(ii) On repatriation basis

An NRI can purchase on repatriation basis, without limit, Government dated securities (other than bearer securities) or treasury bills or units of domestic mutual funds; bonds issued by a public sector undertaking (PSU) in India and shares in Public Sector Enterprises being disinvested by the Government of India, provided the purchase is in accordance with the terms and conditions stipulated in the notice inviting bids.

2. Purchase of other securities by FIIs

Foreign Institutional Investors (FIIs) can buy on repatriation basis dated Government securities / treasury bills, listed non-convertible debentures / bonds issued by Indian companies and units of domestic mutual funds either directly from the issuer of such securities or through a registered stock broker on a recognized stock exchange in India. Purchase of debt instruments by FIIs are subject to limits notified by SEBI and the Reserve Bank from time to time.



3. Investment by Multilateral Development Banks (MDBs)

A Multilateral Development Bank (MDB) which is specifically permitted by the Government of India to float rupee bonds in India can purchase Government dated securities.

4. Foreign Investment in Tier I and Tier II instruments issued by banks in India

(i) FIIs registered with SEBI and NRIs have been permitted to subscribe to the Perpetual Debt instruments (eligible for inclusion as Tier I capital) and Debt Capital instruments (eligible for inclusion as upper Tier II capital), issued by banks in India and denominated in Indian Rupees, subject to the following conditions:

- a. Investment by all FIIs in Rupee denominated Perpetual Debt instruments (Tier I) should not exceed an aggregate ceiling of 49 per cent of each issue, and investment by individual FII should not exceed the limit of 10 per cent of each issue.
- b. Investments by all NRIs in Rupee denominated Perpetual Debt instruments (Tier I) should not exceed an aggregate ceiling of 24 per cent of each issue and investments by a single NRI should not exceed 5 percent of each issue.
- c. Investment by FIIs in Rupee denominated Debt Capital instruments (Tier II) shall be within the limits stipulated by SEBI for FII investment in corporate debt instruments.
- d. Investment by NRIs in Rupee denominated Debt Capital instruments (Tier II) shall be in accordance with the extant policy for investment by NRIs in other debt instruments.

(ii) The issuing banks are required to ensure compliance with the conditions stipulated above at the time of issue. They are also required to comply with the guidelines issued by the Department of Banking Operations and Development (DBOD), Reserve Bank of India, from time to time.

(iii) The issue-wise details of the amount raised as Perpetual Debt Instruments qualifying for Tier I capital by the bank from FIIs / NRIs are required to be reported in the prescribed format within 30 days of the issue to the Reserve Bank¹².

¹² Addressed to the Chief General Manager-in-Charge, Foreign Exchange Department, Reserve Bank of India, Foreign Investment Division, Central Office, Central Office Building, Mumbai 400 001.



(iv) Investment by FIIs in Rupee denominated Upper Tier II Instruments raised in Indian Rupees will be within the limit prescribed by SEBI for investment in corporate debt instruments. However, investment by FIIs in these instruments will be subject to a separate ceiling of USD 500 million.

(v) The details of the secondary market sales / purchases by FIIs and the NRIs in these instruments on the floor of the stock exchange are to be reported by the custodians and designated banks respectively, to the Reserve Bank through the soft copy of the Forms LEC (FII) and LEC (NRI).



Part II

Acquisition and Transfer of Immovable Property in India.

1. Acquisition and Transfer of Immovable Property in India

- 1) A person resident outside India who is a citizen of India (NRI¹³) can acquire by way of purchase, any immovable property in India other than agricultural land / plantation property / farm house. He can transfer any immovable property other than agricultural or plantation property or farm house to:
 - i. A person resident outside India who is a citizen of India, or
 - ii. A person of Indian origin resident outside India, or
 - iii. A person resident in India.

- 2) He may transfer agricultural land / plantation property / farm house acquired by way of inheritance, only to Indian citizens permanently residing in India.

- 3) Payment for acquisition of property can be made out of:
 - i. Funds received in India through normal banking channels by way of inward remittance from any place outside India, or
 - ii. Funds held in any non-resident account maintained in accordance with the provisions of the Foreign Exchange Management Act, 1999 and the regulations made by Reserve Bank from time to time.

- 4) Such payment cannot be made either by traveller's cheque or by foreign currency notes or by other mode other than those specifically mentioned above.

- 5) A person resident outside India who is a person of Indian Origin (PIO¹⁴) can acquire any immovable property in India other than agricultural land / farm house / plantation property:

¹³ It is clarified that a person resident outside India, who is a citizen of India is treated as NRI for the purpose of this part of the Circular.

¹⁴ 'A person of Indian origin' means an individual (not being a citizen of Pakistan or Bangladesh or Sri Lanka or Afghanistan or China or Iran or Nepal or Bhutan), who

(i) at any time, held Indian passport; or

(ii) who or either of whose father or whose grandfather was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955);



- i) By way of purchase out of funds received by inward remittance through normal banking channels or by debit to his NRE / FCNR(B) / NRO account.
 - ii) Such payments cannot be made either by traveller's cheque or by foreign currency notes or by other mode other than those specifically mentioned above.
 - iii) By way of gift from a person resident in India or a NRI or a PIO.
- 6) A PIO may acquire any immovable property in India by way of inheritance from a person resident in India or a person resident outside India who had acquired such property in accordance with the provisions of the foreign exchange law in force or FEMA regulations at the time of acquisition of the property.
- 7) A PIO may transfer agricultural land / plantation property / farmhouse in India acquired by way of inheritance, by way of sale or gift to person resident in India who is a citizen of India.
- 8) A PIO may transfer any immovable property other than agricultural land / Plantation property / farmhouse in India:
- i. By way of sale to a person resident in India.
 - ii. By way of gift to a person resident in India or a Non-Resident Indian or a PIO.

2. Purchase / Sale of Immovable Property by Foreign Embassies / Diplomats / Consulate General

Foreign Embassy / Consulate as well as Diplomatic personnel in India are allowed to purchase/ sell immovable property in India other than agricultural land / plantation property / farm house provided (i) clearance from Government of India, Ministry of External Affairs is obtained for such purchase / sale, and (ii) the consideration for acquisition of immovable property in India is paid out of funds remitted from abroad through normal banking channels.

3. Acquisition of Immovable Property for carrying on a permitted activity

A branch, office or other place of business, (excluding a liaison office) in India of a foreign company established with requisite approvals wherever necessary, is eligible to acquire immovable property in India which is necessary for or incidental to carrying on such activity provided that all applicable laws, rules, regulations or



directions in force are duly complied with. The entity / person concerned is required to file a declaration in the Form IPI (Annex - 12) with the Reserve Bank, within ninety days from the date of such acquisition. The non-resident is eligible to transfer by way of mortgage the said immovable property to an AD Category – I bank as a security for any borrowing.

4. Repatriation of sale proceeds

(i) In the event of sale of immovable property other than agricultural land / farm house / plantation property in India by NRI / PIO, the authorised dealer will allow repatriation of sale proceeds outside India provided:

- a) the immovable property was acquired by the seller in accordance with the provisions of the foreign exchange law in force at the time of acquisition by him or the provisions of FEMA Regulations;
- b) the amount to be repatriated does not exceed (a) the amount paid for acquisition of the immovable property in foreign exchange received through normal banking channels or out of funds held in Foreign Currency Non-Resident Account or (b) the foreign currency equivalent as on the date of payment, of the amount paid where such payment was made from the funds held in Non-Resident External account for acquisition of the property; and
- c) In the case of residential property, the repatriation of sale proceeds is restricted to not more than two such properties.

(ii) In the case of sale of immovable property purchased out of Rupee funds, AD Category – I banks may allow the facility of repatriation of funds out of balances held by NRIs / PIO in their Non-Resident Rupee (NRO) accounts up to USD 1 million per financial year, subject to production of undertaking by the remitter and a certificate from the Chartered Accountant in the formats prescribed by the CBDT.

5. Prior permission to citizens of certain countries for acquisition or transfer of immovable property in India

(i) No person being a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal or Bhutan, whether resident in India or outside India, shall acquire or transfer immovable property in India, other than lease, not exceeding five years without prior permission of the Reserve Bank.



(ii) Foreign nationals of non-Indian origin resident outside India are not permitted to acquire any immovable property in India unless such property is acquired by way of inheritance from a person who was resident in India. Foreign nationals of non-Indian origin who have acquired immovable property in India by way of inheritance or purchase with the specific approval of the Reserve bank cannot transfer such property without prior permission of the Reserve Bank.



Part III

Establishment of Branch / Liaison / Project Offices in India

1. Application to RBI

Companies incorporated outside India, desirous of opening a Liaison / Branch Office in India have to make an application in Form FNC-1 (Annex - 13) to the Reserve Bank¹⁵, along with the following documents:

- English version of the Certificate of Incorporation / Registration or Memorandum & Articles of Association attested by Indian Embassy / Notary Public in the Country of Registration.
- Latest Audited Balance Sheet of the applicant entity.

2. Liaison Office

Companies which are incorporated outside India can establish Liaison Office in India with the specific approval of the Reserve Bank. A Liaison Office (also known as Representative Office) can undertake only liaison activities, i.e. it can act as a channel of communication between Head Office abroad and parties in India. It is not allowed to undertake any business activity in India and cannot earn any income in India. Expenses of such offices are to be met entirely through inward remittances of foreign exchange from the Head Office outside India. The role of such offices is, therefore, limited to collecting information about possible market opportunities and providing information about the company and its products to the prospective Indian customers. Permission to set up such offices is initially granted for a period of 3 years and this may be extended from time to time by the Regional Office of the Reserve Bank under whose jurisdiction the office is set up. A Liaison Office can undertake the following activities in India:

- i. Representing in India the parent company / group companies.
- ii Promoting export import from / to India.
- iii Promoting technical / financial collaborations between parent /group companies and companies in India.

¹⁵ Addressed to the Chief General Manager-in- Charge, Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central Office, Fort, Mumbai- 400 001.



- iv. Acting as a communication channel between the parent company and Indian companies.

Liaison / representative offices have to file Annual Activity Certificates from the Chartered Accountants to the Regional Office of the Reserve Bank.

3. Liaison Office of foreign Insurance Companies

Foreign Insurance companies can establish Liaison Offices in India after obtaining approval from the Insurance Regulatory and Development Authority (IRDA).

4. Branch Offices

1) Companies incorporated outside India and engaged in manufacturing or trading activities are allowed to set up Branch Offices in India with specific approval of the Reserve Bank. Such Branch Offices are permitted to represent the parent / group companies and undertake the following activities in India:

- i. Export / Import of goods.¹⁶
- ii. Rendering professional or consultancy services.
- iii. Carrying out research work, in areas in which the parent company is engaged.
- iv. Promoting technical or financial collaborations between Indian companies and parent or overseas group company.
- v. Representing the parent company in India and acting as buying / selling agent in India.
- vi. Rendering services in Information Technology and development of software in India.
- vii. Rendering technical support to the products supplied by parent/group companies.

2) Retail trading activities of any nature is not allowed for a Branch Office in India.

3) A Branch Office is not allowed to carry out manufacturing, processing activities in India, directly or indirectly.

4) Branch Offices are permitted to acquire property for their own use and to carry out the permitted / incidental activities but not for leasing or renting out the property.

¹⁶ Procurement of goods for export and sale of goods after import are allowed only on wholesale basis.



However, entities from Pakistan, Bangladesh, Sri Lanka, Afghanistan, Iran or China are not allowed to acquire immovable property in India even for a Branch Office. These entities are allowed to lease such property for a period not exceeding five years. Entities from Nepal are allowed to establish only Liaison Offices in India.

5) Profits earned by the Branch Offices are freely remittable from India, subject to payment of applicable taxes.

6) Branch Offices have to submit Annual Activity Certificates from Chartered Accountants to the Reserve Bank.

5. Branch Office in Special Economic Zones (SEZs)

(i) Reserve Bank has given general permission to foreign companies for establishing branch/unit in Special Economic Zones (SEZs) to undertake manufacturing and service activities. The general permission is subject to the following conditions:

- a) such units are functioning in those sectors where 100 per cent FDI is permitted;
- b) such units comply with part XI of the Companies Act, 1956 (Section 592 to 602);
- c) such units function on a stand-alone basis.

(ii) In the event of winding-up of business and for remittance of winding-up proceeds, the branch shall approach an AD Category – I bank with the documents mentioned in paragraph 11 ("Closure of Office") except the copy of the letter granting approval by the Reserve Bank.

6. Branches of Banks

Foreign banks do not require separate approval under FEMA, for opening branch office in India. Such banks are required to obtain necessary approval under the provisions of the Banking Regulation Act, 1949, from Department of Banking Operations & Development, Reserve Bank of India.



7. Project Offices

Reserve Bank has granted general permission to foreign companies to establish Project Offices in India, provided they have secured a contract from an Indian company to execute a project in India, and

- i. the project is funded directly by inward remittance from abroad; or
- ii. the project is funded by a bilateral or multilateral International Financing Agency; or
- iii. the project has been cleared by an appropriate authority; or
- iv. a company or entity in India awarding the contract has been granted Term Loan by a Public Financial Institution or a bank in India for the project.

However, if the above criteria are not met, the foreign entity has to approach the Reserve Bank for approval.

8. Opening of Foreign Currency Account

AD Category – I banks can open **non-interest** bearing Foreign Currency Account for Project Offices in India subject to the following:

- i. The Project Office has been established in India, with the general / specific permission of Reserve Bank, having the requisite approval from the concerned Project Sanctioning Authority.
- ii. The contract, under which the project has been sanctioned, specifically provides for payment in foreign currency.
- iii. Each Project can open two Foreign Currency Accounts.
- iv. The permissible debits to the account shall be payment of project related expenditure and credits shall be foreign currency receipts from the Project Sanctioning Authority, and remittances from parent/group company abroad or bilateral / multilateral international financing agency.
- v. The responsibility of ensuring that only the approved debits and credits are allowed in the Foreign Currency Account shall rest solely with the branch concerned of the AD. Further, the Accounts shall be subject to 100 per cent scrutiny by the Concurrent Auditor of the respective AD banks.
- vi. The Foreign Currency account has to be closed at the completion of the Project.



9. Intermittent remittances by Project Offices in India

(i) AD Category – I bank can permit intermittent remittances by Project Offices pending winding up / completion of the project provided they are satisfied with the bonafides of the transaction, subject to the following:

- a) The Project Office submits an Auditors' / Chartered Accountants' Certificate to the effect that sufficient provisions have been made to meet the liabilities in India including Income Tax, etc.
- b) An undertaking from the Project Office that the remittance will not, in any way, affect the completion of the Project in India and that any shortfall of funds for meeting any liability in India will be met by inward remittance from abroad.

(ii) Inter-Project transfer of funds requires prior permission of the concerned Regional Office of the Reserve Bank under whose jurisdiction the Project Office is situated.

10. General conditions

(i) Partnership / Proprietary concerns set up abroad are not allowed to establish Branch /Liaison Offices in India.

(ii) Branch / Liaison / Project Offices are allowed to open non-interest bearing current accounts in India. Such Offices are required to approach their Authorised Dealers for opening the accounts.

(iii) Transfer of assets of Liaison / Branch Office to subsidiaries or other Liaison/Branch Offices is allowed with specific approval of the Central Office of the Reserve Bank.

11. Closure of Offices

(i) At the time of winding up of the Liaison Offices, the company has to approach the respective Regional Office of the Reserve Bank with the following documents:

- a) Copy of the Reserve Bank's permission for establishing the Office in India
- b) Auditor's certificate -



- 1) indicating the manner in which the remittable amount has been arrived and supported by a statement of assets and liabilities of the applicant, and indicating the manner of disposal of assets;
 - 2) confirming that all liabilities in India including arrears of gratuity and other benefits to employees, etc. of the branch / office have been either fully met or adequately provided for;
 - 3) confirming that no income accruing from sources outside India (including proceeds of exports) has remained unrepatriated to India.
- c) No-objection or Tax clearance certificate from Income-tax authority for the remittance;
- d) Confirmation from the applicant that no legal proceedings in any Court in India are pending and there is no legal impediment to the remittance;
- e) Once RBI's Regional Office grants approval, AD Category – I banks can allow remittance of surplus; and
- f) At the time of closure of Branch Offices, the entities have to approach the Central Office of the Reserve Bank for approval, with the same set of documents as mentioned above.



Part IV

Investment in Partnership Firm / Proprietary Concern

1. Investment in Partnership Firm / Proprietary Concern

A Non-Resident Indian¹⁷ (NRI) or a Person of Indian Origin¹⁸ (PIO) resident outside India can invest by way of contribution to the capital of a firm or a proprietary concern in India on non-repatriation basis provided;

- i. Amount is invested by inward remittance or out of NRE / FCNR(B) / NRO account maintained with Authorised Dealers / Authorised banks.
- ii. The firm or proprietary concern is not engaged in any agricultural / plantation or real estate business (i.e. dealing in land and immovable property with a view to earning profit or earning income there from) or print media sector.
- iii. Amount invested shall not be eligible for repatriation outside India.

2. Investments with repatriation benefits

NRIs / PIO may seek prior permission of Reserve Bank¹⁹ for investment in sole proprietorship concerns / partnership firms with repatriation benefits. The application will be decided in consultation with the Government of India.

3. Investment by non-residents other than NRIs / PIO

A person resident outside India other than NRIs / PIO may make an application and seek prior approval of Reserve Bank²⁰, for making investment by way of contribution to the capital of a firm or a proprietorship concern or any association of persons in

¹⁷ 'Non-Resident Indian (NRI)' means a person resident outside India who is a citizen of India or is a person of Indian origin;

¹⁸ 'Person of Indian Origin' means a citizen of any country other than Bangladesh or Pakistan or Sri Lanka, if

- a) he at any time held Indian passport; or
- b) he or either of his parents or any of his grand - parents was a citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955); or
- c) the person is a spouse of an Indian citizen or a person referred to in sub-clause (a) or (b);

¹⁹ & ²⁰ Addressed to the Chief General Manager-in-Charge , Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central Office, Mumbai



India. The application will be decided in consultation with the Government of India.

4. Restrictions

An NRI or PIO is not allowed to invest in a firm or proprietorship concern engaged in any agricultural/plantation activity or real estate business (i.e. dealing in land and immovable property with a view to earning profit or earning income therefrom) or engaged in Print Media.



Annex - 1
(PART I, Section I, para 2)

Sector- specific policy for foreign investment

In the following sectors/activities, FDI up to the limit indicated below is allowed subject to other conditions as indicated. In Sectors/Activities not listed below, FDI is permitted up to 100 per cent on the automatic route subject to sectoral rules/ regulations applicable.

Sr. No.	Sector/Activity	FDI Cap / Equity	Entry Route	Other conditions
I	AGRICULTURE			
1.	Floriculture, Horticulture, Development of Seeds, Animal Husbandry, Pisciculture, Aquaculture, Cultivation of Vegetables & Mushrooms under controlled conditions and services related to agro and allied sectors. NB: Besides the above, FDI is not allowed in any other agricultural sector /activity	100%	Automatic	---
2.	Tea Sector , including tea plantation NB: Besides the above, FDI is not allowed in any other plantation sector /activity	100%	FIPB	Subject to divestment of 26% equity in favour of Indian partner/Indian public within 5 years and prior approval of State Government concerned in case of any change in future land use.
	INDUSTRY			
	MINING			
3.	Mining covering exploration and mining of diamonds & precious stones; gold, silver and minerals.	100%	Automatic	Subject to Mines & Minerals (Development & Regulation) Act, 1957 (www.mines.nic.in) Press Note 18 (1998) and Press Note 1 (2005) are not applicable for setting up 100% owned subsidiaries in so far



				as the mining sector is concerned, subject to a declaration from the applicant that he has no existing joint venture for the same area and/ or the particular mineral.
4.	Coal & Lignite mining for captive consumption by power projects, and iron & steel, cement production and other eligible activities permitted under the Coal Mines (Nationalisation) Act, 1973.	100%	Automatic	Subject to provisions of Coal Mines (Nationalisation) Act, 1973. (www.coal.nic.in)
5.	Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities. NB: FDI will not be allowed in mining of “prescribed substances” listed in Government of India notification No. S.O. 61(E) dated 18.1.2006 issued by the Department of Atomic Energy.	100%	FIPB	Subject to sectoral Regulations and the Mines and Minerals (Development & Regulation) Act, 1957 and the following conditions – i. value addition facilities are set up within India along with transfer of technology; ii. disposal of tailings during the mineral separation shall be carried out in accordance with Regulations framed by the Atomic Energy Regulatory Board such as Atomic Energy (Radiation Protection) Rules, 2004 and the Atomic Energy (Safe Disposal of Radioactive Wastes) Rules, 1987.
MANUFACTURING				
6.	Alcohol-Distillation & Brewing	100%	Automatic	Subject to license by appropriate authority.
7.	Cigars & Cigarettes-Manufacture	100%	FIPB	Subject to industrial license under the Industries (Development & Regulation) Act, 1951.
8.	Coffee & Rubber processing & warehousing	100%	Automatic	--
9.	Defence production	26%	FIPB	Subject to licensing under



				Industries (Development & Regulation) Act, 1951 and guidelines on FDI in production of arms & ammunition.
10.	Hazardous chemicals , viz., hydrocyanic acid and its derivatives; phosgene and its derivatives; and isocyanates and diisocyanates of hydrocarbon.	100%	Automatic	Subject to industrial license under the Industries (Development & Regulation) Act, 1951 and other sectoral Regulations.
11.	Industrial explosives- Manufacture	100%	Automatic	Subject to industrial license under the Industries (Development & Regulation) Act, 1951 and Regulations under Explosives Act, 1898
12.	Drugs and Pharmaceuticals including those involving use of recombinant DNA technology	100%	Automatic	--
POWER				
13.	Power including generation (except Atomic energy); transmission, distribution and Power trading.	100%	Automatic	Subject to provisions of the Electricity Act, 2003 (www.powermin.nic.in)
SERVICES				
CIVIL AVIATION SECTOR				
14.	Airports-			
a.	Greenfield projects	100%	Automatic	Subject to sectoral Regulations notified by Ministry of Civil Aviation (www.civilaviation.nic.in)
b.	Existing projects	100%	FIPB beyond 74%	Subject to sectoral Regulations notified by Ministry of Civil Aviation (www.civilaviation.nic.in)
15.	Air Transport Services including Domestic Scheduled Passenger Airlines; Non-Schedules Airlines; Chartered Airlines; Cargo Airlines; Helicopter and Seaplane Services			
a.	Scheduled Air Transport Services/ Domestic	49%- FDI; 100%- for NRIs investment	Automatic	Subject to no direct or indirect participation by foreign airlines and Sectoral Regulations.



	Scheduled Passenger Airline			(www.civilaviation.nic. in)
b.	Non-Scheduled Air Transport Service / Non-Scheduled airlines, Chartered airlines, and Cargo airlines	74%- FDI 100%- for NRIs investment	Automatic	Subject to no direct or indirect participation by foreign airlines in Non-Scheduled and Chartered airlines. Foreign airlines are allowed to participate in the equity of companies operating Cargo airlines. Also subject to sectoral Regulations. (www.civilaviation.nic. in)
c.	Helicopter Services / Seaplane services requiring DGCA approval	100%	Automatic	Foreign airlines are allowed to participate in the equity of companies operating Helicopter and seaplane airlines. Also subject to sectoral Regulations. (www.civilaviation.nic. in)
16.	Other services under Civil Aviation Sector			
a.	Ground Handling Services	74%- FDI 100%- for NRIs investment	Automatic	Subject to sectoral Regulations and security clearance.
b.	Maintenance and Repair organizations; flying training institutes; and technical training institutions	100%	Automatic	--
17.	Asset Reconstruction Companies	49% (only FDI)	FIPB	Where any individual investment exceeds 10% of the equity, provisions of Section 3(3) (f) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 should be complied with. (www.finmin.nic.in)
18.	Banking - Private sector	74% (FDI+FII) Within this limit, FII investment not to exceed 49%	Automatic	Subject to guidelines for setting up branches / subsidiaries of foreign banks issued by RBI. (www.rbi.org.in)



19.	Broadcasting			
a.	FM Radio	FDI +FII investment up to 20%	FIPB	Subject to guidelines notified by Ministry of Information & Broadcasting. (www.mib.nic.in)
b.	Cable network	49% (FDI+FII)	FIPB	Subject to Cable Television Network Rules (1994), notified by Ministry of Information & Broadcasting. (www.mib.nic.in)
c.	Direct-To-Home	49% (FDI+FII). Within this limit, FDI component not to exceed 20%	FIPB	Subject to guidelines issued by Ministry of Information & Broadcasting. (www.mib.nic.in)
d.	Setting up hardware facilities such as up-linking, HUB, etc.	49% (FDI+FII)	FIPB	Subject to Up-linking Policy notified by Ministry of Information & Broadcasting. (www.mib.nic.in)
e.	Up-linking a News & Current Affairs TV Channel	26% (FDI+FII)	FIPB	Subject to guidelines issued by Ministry of Information & Broadcasting. (www.mib.nic.in)
f.	Up-linking a Non-news & Current Affairs TV Channel	100%	FIPB	Subject to guidelines issued by Ministry of Information & Broadcasting. (www.mib.nic.in)
20.	Commodity Exchanges	49% (FDI+FII) FDI – 26% FII – 23%	FIPB	FII purchases shall be restricted to secondary market only. Subject to regulations specified by concerned Regulators.
21.	Construction Development projects , including housing, commercial premises, resorts, educational institutions, recreational facilities, city and regional level infrastructure, townships.	100%	Automatic	Subject to conditions notified vide Press Note 2 (2005 Series) including: a. Minimum capitalization of US\$ 10 million for wholly owned subsidiaries and US\$ 5 million for joint venture. The funds would have to be brought within six months of commencement of business of the Company.



	NB: FDI is not allowed in Real Estate Business			<p>b. Minimum area to be developed under each project- 10 hectares in case of development of serviced housing plots; and built-up area of 50,000 sq. mts. in case of construction development project; and any of the above in case of a combination project.</p> <p>[Note 1: For investment by NRIs, the conditions mentioned in Press Note 2 (2005) are not applicable.</p> <p>Note 2: For investment in SEZs, Hotels & Hospitals, conditions mentioned in Press Note 2(2005) are not applicable]</p>
22.	Courier services for carrying packages, parcels and other items which do not come within the ambit of the Indian Post Office Act, 1898.	100%	FIPB	Subject to existing laws and exclusion of activity relating to distribution of letters, which is exclusively reserved for the State. (www.indiapost.gov.in)
23.	Infrastructure companies in securities markets namely, Stock Exchanges, Depositories and Clearing Corporations	49% (FDI+FII) FDI – 26% FII – 23%	FIPB	FII purchases shall be restricted to secondary market. Subject to regulations specified by concerned Regulators.
24.	Credit Information Companies(CIC)	49% (FDI+FII) Within this limit, FII investment not to exceed 24%	FIPB	Foreign Investment in CIC will be subject to Credit Information Companies (Regulation) Act, 2005. Subject to regulations specified by concerned Regulators.
25.	Industrial Parks both setting up and in established Industrial Parks	100%	Automatic	Conditions in Press Note 2(2005) applicable for construction development projects would not apply provided the Industrial Parks meet with the under-mentioned conditions- i. it would comprise of a minimum of 10 units and



				<p>no single unit shall occupy more than 50% of the allocable area and ;</p> <p>ii. the minimum percentage of the area to be allocated for industrial activity shall not be less than 66% of the total allocable area.</p>
26.	Insurance	26%	Automatic	<p>Subject to licensing by the Insurance Regulatory & Development Authority (www.irda.nic.in)</p>
27.	Investing companies in infrastructure / services sector (except telecom sector)	100%	FIPB	<p>Where there is a prescribed cap for foreign investment, only the direct investment will be considered for the prescribed cap and foreign investment in an investing company will not be set off against this cap provided the foreign direct investment in such investing company does not exceed 49% and the management of the investing company is with the Indian owners.</p>
28.	Non-Banking Finance Companies			
i)	Merchant banking	100%	Automatic	<p>Subject to:</p> <p>a. Minimum capitalization norms for fund based NBFCs - US\$ 0.5 million to be brought upfront for FDI up to 51%; US\$ 5 million to be brought upfront for FDI above 51% and up to 75%; and US\$ 50 million out of which US\$ 7.5 million to be brought upfront and the balance in 24 months, for FDI beyond 75% and up to 100%.</p> <p>b. Minimum capitalization norms for non-fund based NBFC activities- US\$ 0.5 million.</p> <p>c. Foreign investors can set up 100% operating subsidiaries without the</p>
ii)	Underwriting			
iii)	Portfolio Management Services			
iv)	Investment Advisory Services			
v)	Financial Consultancy			
vi)	Stock Broking			
vii)	Asset Management			
viii)	Venture Capital			



ix)	Custodial Services			<p>condition to disinvest a minimum of 25% of its equity to Indian entities subject to bringing in US\$ 50 million without any restriction on number of operating subsidiaries without bringing additional capital.</p> <p>d. Joint venture operating NBFCs that have 75% or less than 75% foreign investment will also be allowed to set up subsidiaries for undertaking other NBFC activities subject to the subsidiaries also complying with the applicable minimum capital inflow.</p> <p>e. Compliance with the guidelines of the RBI.</p>
x)	Factoring			
xi)	Credit Rating Agencies			
xii)	Leasing & Finance			
xiii)	Housing Finance			
xiv)	Forex Broking			
xv)	Credit card Business			
xvi)	Money changing business			
xvii)	Micro credit			
xviii)	Rural credit			
29.	Petroleum & Natural Gas sector			
a.	Refining	<p>49% in case of PSUs.</p> <p>100% in case of Private companies</p>	<p>FIPB (in case of PSUs)</p> <p>Automatic (in case of private companies)</p>	<p>Subject to Sectoral policy and no divestment or dilution of domestic equity in the existing PSUs. (www.petroleum.nic.in)</p>
b.	Other than Refining and including market study and formulation; investment/ financing; setting up infrastructure for marketing in Petroleum & Natural Gas sector.	100%	Automatic	<p>Subject to sectoral Regulations issued by Ministry of Petroleum & Natural Gas. (www.petroleum.nic.in)</p>
30.	Print Media			
a.	Publishing of newspaper and periodicals dealing with news and current affairs	26%	FIPB	<p>Subject to guidelines notified by Ministry of Information & Broadcasting. (www.mib.nic.in)</p>



b.	Publishing of scientific magazines/ specialty journals/ periodicals	100%	FIPB	Subject to guidelines issued by Ministry of Information & Broadcasting. (www.mib.nic.in)
31.	Telecommunications			
a.	Basic and cellular, Unified Access Services, National/ International Long Distance, V-Sat, Public Mobile Radio Trunked Services (PMRTS), Global Mobile Personal Communications Services (GMPCS) and other value added telecom services	74% (Including FDI, FII, NRI, FCCBs, ADRs, GDRs, convertible preference shares, and proportionate foreign equity in Indian promoters/ Investing Company)	Automatic up to 49%. FIPB beyond 49%.	Subject to guidelines notified in the Press Note 3(2007 Series) dated April 19, 2007.
b.	ISP with gateways, radio-paging, end-to-end bandwidth.	74%	Automatic up to 49%. FIPB beyond 49%.	Subject to licensing and security requirements notified by the Department of Telecommunications. (www.dotindia.com)
c.	(a) ISP without gateway; (b) infrastructure provider providing dark fibre, right of way, duct space, tower (Category I); (c) electronic mail and voice mail.	100%	Automatic up to 49%. FIPB beyond 49%.	Subject to the condition that such companies shall divest 26% of their equity in favour of Indian public in 5 years, if these companies are listed in other parts of the world. Also subject to licensing and security requirements, where required. (www.dotindia.com)
d.	Manufacture of telecom equipments	100%	Automatic	Subject to sectoral requirements. (www.dotindia.com)
32.	Trading			
a.	Wholesale/cash & carry trading	100%	Automatic	



b.	Trading for Exports	100%	Automatic	
c.	Trading of items sourced from small scale sector	100%	FIPB	
d.	Test marketing of such items for which a company has approval for manufacture	100%	FIPB	Subject to the condition that the test marketing approval will be for a period of two years and investment in setting up manufacturing facilities commences simultaneously with test marketing.
e.	Single Brand Product retailing	51%	FIPB	Subject to guidelines for FDI in trading issued by Department of Industrial Policy & Promotion vide Press Note 3 (2006 Series) dated February 10, 2006.
33.	Satellites - Establishment and operation	74%	FIPB	Subject to sectoral guidelines issued by Department of Space / ISRO. (www.isro.org)
34.	Special Economic Zones and Free Trade Warehousing Zones covering setting up of these Zones and setting up units in the Zones	100%	Automatic	Subject to Special Economic Zones Act, 2005 and the Foreign Trade Policy. (www.sezindia.nic.in)
35.	Drugs and Pharmaceuticals including those involving recombitant DNA technology	100%	Automatic	--

Note : All the above sector / activities are governed by the respective Press Notes / Releases issued by the issued by the Government of India from time to time



(A) All Activities/ Sectors would require prior approval of the Government of India for FDI in the following circumstances:

- i) where provisions of Press Note 1 (2005 Series) issued by the Government of India are attracted;
- ii) where more than 24 per cent foreign equity is proposed to be inducted for manufacture of items reserved for the Small Scale sector.

(B) Sectors prohibited for FDI

- I. Retail Trading (except single brand product retailing)
- II. Atomic Energy
- III. Lottery Business
- IV. Gambling and Betting
- V. Business of chit fund
- VI. Nidhi Company
- VII. Trading in Transferable Development Rights (TDRs)
- VIII. Activities/sector not opened to private sector investment
- IX. Agriculture (excluding Floriculture, Horticulture, Development of seeds, Animal Husbandary, Pisciculture and cultivation of vegetables, mushrooms etc. under controlled conditions and services related to agro and allied sectors) and Plantations (Other than Tea Plantations)
- X. Real estate business, or construction of farm houses.



**Terms and conditions for Transfer of Shares /Convertible Debentures, by way of Sale,
from a Person Resident in India to a Person Resident Outside India and from a Person
Resident Outside India to a Person Resident in India**

1.1 In order to address the concerns relating to pricing, documentation, payment/ receipt and remittance in respect of the shares/convertible debentures of an Indian company, other than a company engaged in financial service sector, transferred by way of sale, the parties involved in the transaction shall comply with the guidelines set out below.

1.2 Parties involved in the transaction are (a) seller (resident/non-resident), (b) buyer (resident/non-resident), (c) duly authorized agent/s of the seller and/or buyer, (d) Authorised Dealer bank (AD) branch and (e) Indian company, for recording the transfer of ownership in its books.

2. Pricing Guidelines

2.1 The under noted pricing guidelines are applicable to the following types of transactions:

- i. Transfer of shares, by way of sale under private arrangement by a person resident in India to a person resident outside India.
- ii. Transfer of shares, by way of sale under private arrangement by a person resident outside India to a person resident in India.

2.2 Transfer by Resident to Non-resident (i.e. to incorporated non-resident entity other than erstwhile OCB, foreign national, NRI, FII)

Price of shares transferred by way of sale by resident to a non-resident shall not be less than

- (a) the ruling market price, in case the shares are listed on stock exchange,
- (b) fair valuation of shares done by a Chartered Accountant as per the guidelines issued by the erstwhile Controller of Capital Issues, in case of unlisted shares.

The price per share arrived at should be certified by a Chartered Accountant.

2.3 Transfer by Non-resident (i.e. by incorporated non-resident entity, erstwhile OCB, foreign national, NRI, FII) **to Resident**

Sale of shares by a non-resident to resident shall be in accordance with Regulation 10 B (2) of Notification No. FEMA 20/2000-RB dated May 3, 2000 which is as below:

(a) Where the shares of an Indian company are traded on stock exchange,

- i) the sale is at the prevailing market price on stock exchange and is effected through a merchant banker registered with Securities and Exchange Board of India or through a stock broker registered with the stock exchange;
- ii) if the transfer is other than that referred to in clause (i), the price shall be arrived at by taking the average quotations (average of daily high and low) for one week preceding



the date of application with 5 per cent variation. Where, however, the shares are being sold by the foreign collaborator or the foreign promoter of the Indian company to the existing promoters in India with the objective of passing management control in favour of the resident promoters the proposal for sale will be considered at a price which may be higher by up to a ceiling of 25 per cent over the price arrived at as above,

(b) Where the shares of an Indian company are not listed on stock exchange or are thinly traded,

- i) if the consideration payable for the transfer does not exceed Rs.20 lakh per seller per company, at a price mutually agreed to between the seller and the buyer, based on any valuation methodology currently in vogue, on submission of a certificate from the statutory auditors of the Indian company whose shares are proposed to be transferred, regarding the valuation of the shares; and
- ii) if the amount of consideration payable for the transfer exceeds Rs.20 lakh per seller per company, at a price arrived at, at the seller's option, in any of the following manner, namely:
 - A) a price based on earning per share (EPS linked to the Price Earning (P/E) multiple, or a price based on the Net Asset Value (NAV) linked to book value multiple, whichever is higher,
 - or
 - B) the prevailing market price in small lots as may be laid down by the Reserve Bank so that the entire shareholding is sold in not less than five trading days through screen based trading system
 - or
 - C) where the shares are not listed on any stock exchange, at a price which is lower of the two independent valuations of share, one by statutory auditors of the company and the other by a Chartered Accountant or by a Merchant Banker in Category 1 registered with Securities and Exchange Board of India.

Explanation:

1. A share is considered as thinly traded if the annualized trading turnover in that share, on main stock exchanges in India, during the six calendar months preceding the month in which application is made, is less than 2 percent (by number of shares) of the listed stock.
- ii) For the purpose of arriving at Net Asset Value per share, the miscellaneous expenses carried forward, accumulated losses, total outside liabilities, revaluation reserves and capital reserves (except subsidy received in cash) shall be reduced from value of the total assets and the net figure so arrived at shall be divided by the number of equity shares issued and paid up.



Alternatively, intangible assets shall be reduced from the equity capital and reserves (excluding revaluation reserves) and the figure so arrived at shall be divided by the number of equity shares issued and paid up. The NAV so calculated shall be used in conjunction with the average BV multiple of Bombay Stock Exchange National Index during the calendar month immediately preceding the month in which application is made and BV multiple shall be discounted by 40 per cent.

iii) For computing the price based on Earning Per Share, the earning per share as per the latest balance sheet of the company shall be used in conjunction with the average Price Earning Multiple of Bombay Stock Exchange National Index for the calendar month preceding the month in which application is made and Price Earning shall be discounted by 40 per cent.

3. Responsibilities / Obligations of the parties

All the parties involved in the transaction would have the responsibility to ensure that the relevant regulations under FEMA are complied with and consequent on transfer of shares, the relevant individual limit/sectoral caps/foreign equity participation ceilings as fixed by Government are not breached. Settlement of transactions will be subject to payment of applicable taxes, if any.

4. Method of payment and remittance/credit of sale proceeds

4.1 The sale consideration in respect of the shares purchased by a person resident outside India shall be remitted to India through normal banking channels. In case the buyer is a Foreign Institutional Investor (FII), payment should be made by debit to its Special Non-Resident Rupee Account. In case the buyer is a NRI, the payment may be made by way of debit to his NRE/FCNR (B) accounts. However, if the shares are acquired on non-repatriation basis by NRI, the consideration shall be remitted to India through normal banking channel or paid out of funds held in NRE/FCNR (B)/NRO accounts.

4.2. The sale proceeds of shares (net of taxes) sold by a person resident outside India may be remitted outside India. In case of FII, the sale proceeds may be credited to its special Non-Resident Rupee Account. In case of NRI, if the shares sold were held on repatriation basis, the sale proceeds (net of taxes) may be credited to his NRE /FCNR(B) accounts and if the shares sold were held on non repatriation basis, the sale proceeds may be credited to his NRO account subject to payment of taxes.

4.3 The sale proceeds of shares (net of taxes) sold by an OCB may be remitted outside India directly if the shares were held on repatriation basis and if the shares sold were held on non-repatriation basis, the sale proceeds may be credited to its NRO (Current) Account subject to payment of taxes, except in the case of OCBs whose accounts have been blocked by Reserve Bank.



5. Documentation

Besides obtaining a declaration in the enclosed Form FC-TRS (in quadruplicate), the AD branch should arrange to obtain and keep on record the following documents:

5.1 For sale of shares by a person resident in India

- i. Consent Letter duly signed by the seller and buyer or their duly appointed agent indicating the details of transfer i.e. number of shares to be transferred, the name of the investee company whose shares are being transferred and the price at which shares are being transferred. In case there is no formal Sale Agreement, letters exchanged to this effect may be kept on record.
- ii. Where Consent Letter has been signed by their duly appointed agent, the Power of Attorney Document executed by the seller/buyer authorizing the agent to purchase/sell shares.
- iii. The shareholding pattern of the investee company after the acquisition of shares by a person resident outside India showing equity participation of residents and non-residents category-wise (i.e. NRIs/OCBs/foreign nationals/incorporated non-resident entities/FILs) and its percentage of paid up capital obtained by the seller/buyer or their duly appointed agent from the company, where the sectoral cap/limits have been prescribed.
- iv. Certificate indicating fair value of shares from a Chartered Accountant.
- v. Copy of Broker's note if sale is made on Stock Exchange
- vi. Undertaking from the buyer to the effect that he is eligible to acquire shares/convertible debentures under FDI policy and the existing sectoral limits and Pricing Guidelines have been complied with.
- vii. Undertaking from the FII/sub account to the effect that the individual FII/ Sub account ceiling as prescribed by SEBI has not been breached.

5.2. For sale of shares by a person resident outside India

- i. Consent Letter duly signed by the seller and buyer or their duly appointed agent indicating the details of transfer i.e. number of shares to be transferred, the name of the investee company whose shares are being transferred and the price at which shares are being transferred.
- ii. Where the Consent Letter has been signed by their duly appointed agent the Power of Attorney Document authorizing the agent to purchase/sell shares by the seller/buyer. In case there is no formal Sale Agreement, letters exchanged to this effect may be kept on record.



- iii. If the sellers are NRIs/OCBs, the copies of RBI approvals evidencing the shares held by them on repatriation/non-repatriation basis. The sale proceeds shall be credited NRE/NRO account, as applicable.
- iv. Certificate indicating fair value of shares from a Chartered Accountant.
- v. No Objection / Tax Clearance Certificate from Income Tax authority/Chartered Account.
- vi. Undertaking from the buyer to the effect that the Pricing Guidelines have been adhered to.

6. Reporting requirements

6.1 Reporting of transfer of shares between residents and non-residents and vice versa is to be done in Form FC-TRS. The Form FC-TRS should be submitted to the AD Category – I bank, within 60 days from the date of receipt of the amount of consideration. The onus of submission of the Form FC-TRS within the given timeframe would be on the transferor / transferee, resident in India. The AD Category – I bank, would forward the same to its link office. The link office would consolidate the Forms and submit a monthly report to the Reserve Bank²¹.

For the purpose the Authorized Dealers may designate branches to specifically handle such transactions. These branches could be staffed with adequately trained staff for this purpose to ensure that the transactions are put through smoothly. The ADs may also designate a nodal office to coordinate the work at these branches and also ensure the reporting of these transactions to the Reserve Bank.

6.2 When the transfer is on private arrangement basis, on settlement of the transactions, the transferee/his duly appointed agent should approach the investee company to record the transfer in their books along with the certificate in the Form FC-TRS from the AD branch that the remittances have been received by the transferor/payment has been made by the transferee. On receipt of the certificate from the AD, the company may record the transfer in its books.

6.3 The actual inflows and outflows on account of such transfer of shares shall be reported by the AD branch in the R-returns in the normal course.

6.4 In addition the AD branch should submit two copies of the Form FC-TRS received from their constituents/customers together with the statement of inflows/outflows on account of remittances received/made in connection with transfer of shares, by way of sale, to IBD/FED/or the nodal office designated for the purpose by the bank in the enclosed proforma (which is to be prepared in MS-Excel format). The IBD/FED or the nodal office of the bank will in turn

²¹ To the Chief General Manager-in-Charge, Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central Office, Mumbai



submit a consolidated monthly statement in respect of all the transactions reported by their branches together with copies of the FC-TRS Forms received from their branches to Foreign Exchange Department, Reserve Bank, Foreign Investment Division, Central Office, Mumbai in soft copy (in MS- Excel) by e-mail to fdidata@rbi.org.in

6.5 Shares purchased / sold by FIIs under private arrangement will be by debit /credit to their Special Non Resident Rupee Account. Therefore, the transaction should **also** be reported in Form LEC (FII) by the designated bank of the FII concerned.

6.6 Shares/convertible debentures of Indian companies purchased under Portfolio Investment Scheme by NRIs, OCBs cannot be transferred, by way of sale under private arrangement.

6.7 On receipt of statements from the AD, the Reserve Bank may call for such additional details or give such directions as required from the transferor/transferee or their agents, if need be.



Annex- 4
(PART I, Section I, para 22)

Documents to be submitted by a person resident in India for transfer of shares to a person resident outside India by way of gift

- i. Name and address of the transferor (donor) and the transferee (donee).
- ii. Relationship between the transferor and the transferee.
- iii. Reasons for making the gift.
- iv. In case of Government dated securities and treasury bills and bonds, a certificate issued by a Chartered Accountant on the market value of such security.
- v. In case of units of domestic mutual funds and units of Money Market Mutual Funds, a certificate from the issuer on the Net Asset Value of such security.
- vi. In case of shares and debentures, a certificate from a Chartered Accountant on the value of such securities according to the guidelines issued by the Securities & Exchange Board of India or the erstwhile CCI for listed companies and unlisted companies, respectively.
- vii. Certificate from the concerned Indian company certifying that the proposed transfer of shares/convertible debentures by way of gift from resident to the non-resident shall not breach the applicable sectoral cap/ FDI limit in the company and that the proposed number of shares/convertible debentures to be held by the non-resident transferee shall not exceed 5 per cent of the paid up capital of the company.²²
- viii. An undertaking from the resident transferor that the value of security to be transferred together with any security already transferred by the transferor, as gift, to any person residing outside India does not exceed the rupee equivalent of USD 25,000 **during a calendar year**.

²² AP (DIR Series) Circular No. 08 dated August 25, 2005



Definition of "relative" as given in Section 6 of Companies Act, 1956.

A person shall be deemed to be a relative of another, if, and only if:

- (a) they are members of a Hindu undivided family ; or
- (b) they are husband and wife ; or
- (c) the one is related to the other in the manner indicated in Schedule IA (as under)

1. Father.
2. Mother (including step-mother).
3. Son (including stepson).
4. Son's wife.
5. Daughter (including step-daughter).
6. Father's father.
7. Father's mother.
8. Mother's mother.
9. Mother's father.
10. Son's son.
11. Son's son's wife.
12. Son's daughter.
13. Son's daughter's husband.
14. Daughter's husband.
15. Daughter's son.
16. Daughter's son's wife.
17. Daughter's daughter.
18. Daughter's daughter's husband.
19. Brother (including step-brother).
20. Brother's wife.
21. Sister (including step-sister).
22. Sister's husband.



Annex - 7
(PART I, Section I, para 18 (i) (b))

Know Your Customer (KYC) Form in respect of the non-resident investor

Registered Name of the Remitter / Investor (Name, if the investor is an Individual)	
Registration Number (Unique Identification Number* in case remitter is an Individual)	
Registered Address (Permanent Address if remitter Individual)	
Name of the Remitter's Bank	
Remitter's Bank Account No.	
Period of banking relationship with the remitter	

* Passport No., Social Security No, or any Unique No. certifying the bonafides of the remitter as prevalent in the remitter's country

We confirm that all the information furnished above is true and accurate as provided by the overseas remitting bank of the non-resident investor.

(Signature of the Authorised Official
of the AD bank receiving the remittance)

Date :

Place:

Stamp :



2.	Description of the main business activity NIC Code	
	Location of the project and NIC code for the district where the project is located	
	Percentage of FDI allowed as per FDI policy	
	State whether FDI is allowed under Automatic Route or Approval Route (strike out whichever is not applicable)	Automatic Route / Approval Route
3	Details of the foreign investor / collaborator*	
	Name Address Country Constitution / Nature of the investing Entity [Specify whether 1. Individual 2. Company 3. FII 4. FVCI 5. Foreign Trust 6. Private Equity Fund 7. Pension / Provident Fund 8. Sovereign Wealth Fund (SWF) ²³ 9. Partnership / Proprietorship Firm 10. Financial Institution 11. NRIs / PIO 12. Others (please specify)] Date of incorporation	

4	Particulars of Shares / Convertible Debentures Issued
(a)	Nature and date of issue

* If there is more than one foreign investor/collaborator, separate Annex may be included for items 3 and 4 of the Form.

²³ SWF means a Government investment vehicle which is funded by foreign exchange assets, and which manages those assets separately from the official reserves of the monetary authorities.



	Nature of issue	Date of issue	Number of shares/ convertible debentures
01	IPO / FPO		
02	Preferential allotment / private placement		
03	Rights		
04	Bonus		
05	Conversion of ECB		
06	Conversion of royalty (including lump sum payments)		
07	Conversion against import of capital goods by units in SEZ		
08	ESOPs		
09	Share Swap		
10	Others (please specify)		
	Total		

(b) **Type of security issued**

No.	Nature of security	Number	Maturity	Face value	Premium	Issue Price per share	Amount of inflow*
01	Equity						
02	Compulsorily Convertible Debentures						
03	Compulsorily Convertible Preference shares						
04	Others (please specify)						
	Total						

- i) In case the issue price is greater than the face value please give break up of the premium received.
ii) * In case the issue is against conversion of ECB or royalty or against import of capital goods by units in SEZ, a Chartered Accountant's Certificate certifying the amount outstanding on the date of conversion

(c)	Break up of premium	Amount
	Control Premium	
	Non competition fee	
	Others [@]	
	Total	

[@] **please specify the nature**

(d)	<p>Total inflow (in Rupees) on account of issue of shares / convertible debentures to non-residents (including premium, if any) vide</p> <p>(i) Remittance through AD: (ii) Debit to NRE/FCNR A/c with Bank _____ (iii) Others (please specify)</p>	
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	Date of reporting of (i) and (ii) above to RBI under Para 9 (1) A of Schedule I to Notification No. FEMA 20 /2000-RB dated May 3, 2000, as amended from time to time.	
(e)	Disclosure of fair value of shares issued**	
	We are a listed company and the market value of a share as on date of the issue is*	
	We are an un-listed company and the fair value of a share is*	

** before issue of shares

*(Please indicate as applicable)

5. Post issue pattern of shareholding							
Investor category		Equity			Compulsorily convertible Preference Shares/ Debentures		
		No. of shares	Amount (Face Value) Rs.	%	No. of shares	Amount (Face Value) Rs.	%
a)	Non-Resident						
	01 Individuals						
	02 Companies						
	03 FIs						
	04 FVCIs						
	05 Foreign Trusts						
	06 Private Equity Funds						
	07 Pension/ Provident Funds						
	08 Sovereign Wealth Funds						
	09 Partnership/ Proprietorship Firms						
	10 Financial Institutions						
	11 NRIs/PIO						
	12 Others (please specify)						
	Sub Total						
b)	Resident						
	Total						



DECLARATION TO BE FILED BY THE AUTHORISED REPRESENTATIVE OF THE INDIAN COMPANY: (*Delete whichever is not applicable and authenticate*)

We hereby declare that:

1. We comply with the procedure for issue of shares / convertible debentures as laid down under the FDI scheme as indicated in Notification No. FEMA 20/2000-RB dated 3rd May 2000, as amended from time to time.

2. The investment is within the sectoral cap / statutory ceiling permissible under the Automatic Route of RBI and we fulfill all the conditions laid down for investments under the Automatic Route namely (strike off whichever is not applicable).

a) Foreign entity/entities—(other than individuals), to whom we have issued shares have existing joint venture or technology transfer or trade mark agreement in India in the same field and Conditions stipulated in Press Note 1 of 2005 Series dated January 12, 2005 have been complied with.

OR

Foreign entity/entities—(other than individuals), to whom we have issued shares do not have any existing joint venture or technology transfer or trade mark agreement in India in the same field.

b) We are not an SSI unit.

OR

We are a SSI unit and the investment limit of 24 % of paid-up capital has been observed/ requisite approvals have been obtained.

c) Shares issued on rights basis to non-residents are in conformity with Regulation 6 of the RBI Notification No FEMA 20/2000-RB dated 3rd May 2000, as amended from time to time.

OR

Shares issued are bonus.

OR

Shares have been issued under a scheme of merger and amalgamation of two or more Indian companies or reconstruction by way of de-merger or otherwise of an Indian company, duly approved by a court in India.

OR

Shares are issued under ESOP and the conditions regarding this issue have been satisfied

3. Shares have been issued in terms of SIA /FIPB approval No. _____ dated _____



5.1	If listed, i) Market value per share as at end-March ii) Net Asset Value per share as on date of latest Audited Balance Sheet	
5.2	If unlisted, Net Asset Value per share as on date of latest Audited Balance Sheet	

6. Foreign Direct Investment (FDI)

	Amount in Lakhs of Rupees			
	Foreign Liabilities In India *		Foreign Assets Outside India &	
	Outstanding at end-March of Previous Year	Outstanding at end-March of Current Year	Outstanding at end-March of Previous Year	Outstanding at end-March of Current Year
6.0 Equity Capital				
6.1 Other Capital ^Ω				
6.2 Disinvestments during the year				
6.3 Retained earnings during the year ⁺				

* Please furnish the outstanding investments of **non-resident investors (Direct Investors)** who were holding **10 per cent or more** ordinary shares of your Company on the reporting date.

& Please furnish your total investments outside the country in each of which **your Company** held **10 per cent or more** ordinary shares of that non-resident enterprise on the reporting date.

^Ω Other Capital includes transactions between the non-resident direct investor and investee / reporting company, relating to i) Short Term Borrowing from overseas investors, ii) Long Term Borrowing from overseas investors, iii) Trade Credit, iv) Suppliers Credit, v) Financial Leasing, vi) Control Premium, vii) Non-Competition Fee in case of transactions not involving issue of shares, viii) Non-cash acquisition of shares against technical transfer, plant and machinery, goodwill, business development and similar considerations and ix) investment in immovable property made during the year.

⁺ Under foreign liabilities, for retained earnings (undistributed profit), please furnish the proportionate amount as per the share holding of non-resident investors (Direct investors). Similarly under foreign assets outside India, the retained earnings of your company would be proportionate to your shareholding of ordinary shares in the non-resident enterprise.



7. Portfolio and Other Investment

[Please furnish here the outstanding investments other than those mentioned under FDI above]

	Amount in Lakhs of Rupees			
	Foreign Liabilities In India		Foreign Assets Outside India	
	Outstanding at end-March of Previous Year	Outstanding at end-March of Current Year	Outstanding at end-March of Previous Year	Outstanding at end-March of Current Year
7.0 Equity Securities				
7.1 Debt Securities				
7.1.1 Bonds and Notes				
7.1.2 Money Market Instruments				
7.2 Disinvestments during the year				
8. Financial Derivatives (notional value)				
9. Other Investment				
9.1 Trade Credit				
9.1.1 Short Term				
9.1.2 Long Term				
9.2 Loans [∞]	Please see the note below			
9.3 Others				
9.3.1 Short Term				
9.3.2 Long Term				

[∞] **Note:** As the details of the Loans availed of by your company are collected through Authorised Dealers separately by Foreign Exchange Department of the Reserve Bank in ECB returns, the details of external loans availed by your company need not be filled in. However, the external loans extended by your company to non-resident enterprises other than WOS/JVs outside India should be reported under "Foreign Assets outside India".



10. Shareholding pattern as at end- March							
Investor category / Nature of investing entity		Equity			Compulsorily convertible Preference Shares/ Debentures		
		No. of shares	Amount (Face Value) Rs.	%	No. of shares	Amount (Face Value) Rs.	%
a)	Non-Resident						
	01 Individuals						
	02 Companies						
	03 FIs						
	04 FVCIs						
	05 Foreign Trusts						
	06 Private Equity Funds						
	07 Pension/ Provident Funds						
	08 Sovereign Wealth Fund (SWF) ²⁵						
	09 Partnership / Proprietorship Firms						
	10 Financial Institutions						
	11 NRIs/PIO						
	12 Others (please specify)						
	Sub Total						
b)	Resident						
	Total						
11. Persons employed during the financial year ending March 31 [®]							
	Directly						
	Indirectly						
	Total						

Signature of the authorised Official : _____

Name (in block letters) : _____

Designation : _____

Place:

Date:

²⁵ SWF means a Government investment vehicle which is funded by foreign exchange assets, and which manages those assets separately from the official reserves of the monetary authorities.

[®] Please indicate the number of persons recruited by your company during the financial year for which the return is being submitted. Under "Directly", indicate the number of persons on the roll of your company, whereas under "Indirectly", indicate the number of persons otherwise engaged by your company during the year.



Form FC-TRS		
Declaration regarding transfer of shares / compulsorily and mandatorily convertible preference shares (CMCPS) / debentures by way of sale from resident to non resident / non-resident to resident		
(to be submitted to the designated AD branch in quadruplicate within 60 days from the date of receipt of funds)		
The following documents are enclosed		
<i>For sale of shares / compulsorily and mandatorily convertible preference shares / debentures by a person resident in India</i>		
<ul style="list-style-type: none">i. Consent Letter duly signed by the seller and buyer or their duly appointed agent and in the latter case the Power of Attorney Document.ii. The shareholding pattern of the investee company after the acquisition of shares by a person resident outside India.iii. Certificate indicating fair value of shares from a Chartered Accountant.iv. Copy of Broker's note if sale is made on Stock Exchange.v. Declaration from the buyer to the effect that he is eligible to acquire shares / compulsorily and mandatorily convertible preference shares / debentures under FDI policy and the existing sectoral limits and Pricing Guidelines have been complied with.vi. Declaration from the FII/sub account to the effect that the individual FII / Sub account ceiling as prescribed has not been breached.		
<i>Additional documents in respect of sale of shares / compulsorily and mandatorily convertible preference shares / debentures by a person resident outside India</i>		
<ul style="list-style-type: none">vii. If the sellers are NRIs/OCBs, the copies of RBI approvals, if applicable, evidencing the shares held by them on repatriation/non-repatriation basis.viii. No Objection/Tax Clearance Certificate from Income Tax Authority/ Chartered Account.		
1	Name of the company	
	Address (including e-mail , telephone Number, Fax no)	
	Activity	



	NIC Code No.	
2	Whether FDI is allowed under Automatic route	
	Sectoral Cap under FDI Policy	
3	Nature of transaction <i>(Strike out whichever is not applicable)</i>	Transfer from resident to non resident / Transfer from non resident to resident
4	Name of the buyer	
	Constitution / Nature of the investing Entity Specify whether <ol style="list-style-type: none"> 1. Individual 2. Company 3. FII 4. FVCI 5. Foreign Trust 6. Private Equity Fund 7. Pension/ Provident Fund 8. Sovereign Wealth Fund (SWF^π) 9. Partnership / Proprietorship firm 10. Financial Institution 11. NRIs / PIOs 12. others 	
	Date and Place of Incorporation	
	Address of the buyer <i>(including e-mail, telephone number. Fax no.)</i>	
5	Name of the seller	
	Constitution / Nature of the disinvesting entity	

^π SWF means a Government investment vehicle which is funded by foreign exchange assets, and which manages those assets separately from the official reserves of the monetary authorities.



	Specify whether 1. Individual 2. Company 3. FII 4. FVCI 5. Foreign Trust 6. Private Equity Fund 7. Pension/ Provident Fund 8. Sovereign Wealth Fund (SWF [¶]) 9. Partnership/ Proprietorship firm 10. Financial Institution 11. NRIs/PIOs 12. others				
	Date and Place of Incorporation				
	Address of the seller (including e-mail, telephone Number Fax no)				
6	Particulars of earlier Reserve Bank / FIPB approvals				
7	Details regarding shares / compulsorily and mandatorily convertible preference shares (CMCPS) / debentures to be transferred				
	<i>Date of the transaction</i>	<i>Number of shares CMCPS / debentures</i>	<i>Face value in Rs.</i>	<i>Negotiated Price for the transfer**in Rs.</i>	<i>Amount of consideration in Rs.</i>
8	Foreign Investments in the company		<i>No. of shares</i>		<i>Percentage</i>
		Before the transfer			
		After the transfer			
9	Where the shares / CMCPS / debentures are listed on Stock Exchange				
	<i>Name of the Stock exchange</i>				
	<i>Price Quoted on the Stock</i>				

[¶] SWF means a Government investment vehicle which is funded by foreign exchange assets, and which manages those assets separately from the official reserves of the monetary authorities.



exchange	
Where the shares / CMCPS / debentures are Unlisted	
Price as per Valuation guidelines*	
Price as per Chartered Accountants * / ** Valuation report (CA Certificate to be attached)	

Declaration by the transferor / transferee

I / We hereby declare that :

- i. The particulars given above are true and correct to the best of my/our knowledge and belief.
- ii. I/ We, was/were holding the shares compulsorily and mandatorily convertible preference shares / debentures as per FDI Policy under FERA/ FEMA Regulations on repatriation/non repatriation basis.
- iii. I/ We, am/are eligible to acquire the shares compulsorily and mandatorily convertible preference shares / debentures of the company in terms of the FDI Policy. It is not a transfer relating to shares compulsorily and mandatorily convertible preference shares / debentures of a company engaged in financial services sector or a sector where general permission is not available.
- iv. The Sectoral limit under the FDI Policy and the pricing guidelines have been adhered to.

Signature of the Declarant or his duly authorised agent

Date:

Note:

In respect of the transfer of shares / compulsorily and mandatorily convertible preference shares / compulsorily and mandatorily convertible debentures from resident to non resident the declaration has to be signed by the non resident buyer, and in respect of the transfer of shares / compulsorily and mandatorily convertible preference shares / compulsorily and mandatorily convertible debentures from non-resident to resident the declaration has to be signed by the non-resident seller.



Certificate by the AD Branch

It is certified that the application is complete in all respects.

The receipt /payment for the transaction are in accordance with FEMA Regulations / Reserve Bank guidelines.

Signature

Name and Designation of the Officer

Date: Name of the AD Branch

AD Branch Code



Form DR

[Refer to paragraph 4(2) of Schedule 1]

Return to be filed by an Indian Company who has arranged issue of GDR/ADR

Instructions : The Form should be completed and submitted to the Reserve Bank of India, Foreign Investment Division, Central Office, Mumbai.

1. Name of the Company
2. Address of Registered Office
3. Address for Correspondence
4. Existing Business (please give the NIC Code of the activity in which the company is predominantly engaged)
5. Details of the purpose for which GDRs/ADRs have been raised. If funds are deployed for overseas investment, details thereof
6. Name and address of the Depository abroad
7. Name and address of the Lead Manager/ Investment/Merchant Banker
8. Name and address of the Sub-Managers to the issue
9. Name and address of the Indian Custodians
10. Details of FIPB approval (please quote the relevant NIC Code if the GDRs/ADRs are being issued under the Automatic Route)
11. Whether any overall sectoral cap for foreign investment is applicable. If yes, please give details
12. Details of the Equity Capital

	<u>Before Issue</u>	<u>After Issue</u>
--	---------------------	--------------------

 - (a) Authorised Capital
 - (b) Issued and Paid-up Capital
 - (i) Held by persons Resident in India
 - (ii) Held by foreign investors other than FIIs/NRIs/PIOs/ OCBs (a list of foreign investors holding



more than 10 percent of the paid-up capital and number of shares held by each of them should be furnished)

(iii) Held by NRIs/PIOs/OCBs

(iv) Held by FIIs

Total Equity held by non-residents

(c) Percentage of equity held by non-residents to total paid-up capital

13. Whether issue was on private placement basis. If yes, please give details of the investors and GDRs/ADRs issued to each of them

14. Number of GDRs/ADRs issued

15. Ratio of GDRs/ADRs to underlying shares

16. Issue Related Expenses

(a) Fee paid/payable to Merchant Bankers/Lead Manager

(i) Amount (in US\$)

(ii) Amount as percentage to the total issue

(b) Other expenses

17. Whether funds are kept abroad. If yes, name and address of the bank

18. Details of the listing arrangement

Name of Stock Exchange

Date of commencement of trading

19. The date on which GDRs/ADRs issue was launched

20. Amount raised (in US \$)

21. Amount repatriated (in US \$)

Certified that all the conditions laid down by Government of India and Reserve Bank of India have been complied with.

Sd/-
Chartered Accountant

Sd/-
Authorised Signatory of the Company



Form DR - Quarterly

[Refer to paragraph 4(3) of Schedule 1]

Quarterly Return

(to be submitted to the Reserve Bank of India, Foreign Investment Division, Central Office, Mumbai)

1. Name of the Company
2. Address
3. GDR/ADR issue launched on
4. Total No. of GDRs/ADRs issued
5. Total amount raised
6. Total interest earned till end of quarter
7. Issue expenses and commission etc.
8. Amount repatriated
9. Balance kept abroad - Details
 - (i) Banks Deposits
 - (ii) Treasury Bills
 - (iii) Others (please specify)
10. No. of GDRs/ADRs still outstanding
11. Company's share price at the end of the quarter
12. GDRs/ADRs price quoted on overseas stock exchange as at the end of the quarter

Certified that the funds raised through GDRs/ADRs have not been invested in stock market or real estate.

Sd/-
Chartered Accountant

Sd/-
Authorised Signatory of the Company



IPI
(Part II, para 3)

**Declaration of immovable property acquired in India
by a person resident outside India**

Instructions:

The declaration should be completed in duplicate and submitted directly to the Chief General Manager-in-Charge, Foreign Exchange Department, (Foreign Investment Division), Reserve Bank of India, Central Office, Mumbai- 400 001 within 90 days from the date of acquisition of the immovable property.

Documentation:

Certified copies of letter of approval from Reserve Bank obtained under section 6(6) of FEMA, 1999 (42 of 1999).

1		Full name and address of the acquirer who has acquired the immovable property		
2	(a)	Description of immovable property	(a)	
	(b)	Details of its exact location stating the name of the state, town and municipal/survey number, etc.	(b)	
3	(a)	Purpose for which the immovable property has been acquired	(a)	
	(b)	Number and date of Reserve Bank's permission, if any,	(b)	
4		Date of acquisition of the immovable property		
5	(a)	How the immovable property was acquired i.e, whether by way of purchase or lease	(a)	



	(b)	Name, citizenship and address of the seller/lessor	(b)	
	(c)	Amount of purchase price and sources of funds.	(c)	

I/We, hereby declare that –

(a) the particulars given above are true and correct to the best of my/our knowledge and belief ;

(b) no portion of the said property has been leased/rented to, or is otherwise being allowed to be used by, any other party .

Encls:

(Signature of Authorised official)

Name

Stamp

Place.....

Date.....

Designation:.....



FNC 1
(Part III, para 1)

A. General Instructions to Applicants :

The application Form only should be completed and submitted to the Chief General Manager -in- Charge, Foreign Exchange Department (Foreign Investment Division), Reserve Bank of India, Central Office, Mumbai-400001.

B. Documentation :

- i) English version of the certificate of incorporation/registration or Memorandum & Articles of Association attested by Indian Embassy/Notary Public in the country of registration.
- ii) Latest Audited Balance Sheet of the applicant company/firm.
- iii) In case of Project Office documentary evidence that the Project is funded by bilateral or multilateral International Financing Agencies **OR** the project has been cleared by the concerned regulatory authority **OR** the Indian company has been granted term loan for the concerned Project by a Financial Institution or a Bank in India.

1. i) Full name and address of the applicant company/firm [State whether the applicant is a proprietary concern or partnership firm or limited company or public sector undertaking or any other organisation (Please specify).

ii) Date and Place of incorporation / registration.

2. Details of capital

i) Paid-up capital _____divided into
_____shares of _____ each

ii) Free Reserves as per
last audited Balance Sheet

3. Brief description of the activities of the applicant.



4. FOR LIAISON / BRANCH OFFICE

- i) Value of goods imported from and / or exported to India by the applicant during each of the last three years:
 - a) Imports from India
 - b) Exports to India
- ii) Particulars of existing arrangements if any, for representing the company in India.
- iii) Particulars of the proposed Branch/ Liaison Office
 - a) Details of the activities/services proposed to be undertaken/ rendered by the office.
 - b) Place where the office will be located.

5. FOR PROJECT OFFICE

If the office is to be opened on a temporary basis in connection with any specific project or contract to be executed in India by the applicant :

- i) Brief description of the project / contract, including terms of payment / duration, etc.
- ii) Place where the office will be located
- iii) Whether the project office is funded entirely by inward remittances or by any other source specified at B (iii)

6. Any other information which the applicant company wishes to furnish in support of this application.

We hereby declare that :

- i) The particulars given above are true and correct to the best of our knowledge and belief;



- ii) Our activities in India would be confined to the fields indicated in column 4(iii)(a) or 5(i)above;
- iii) If we shift the office to another place, we shall intimate the Reserve Bank of India; and
- iv) We will abide by the terms and conditions that may be stipulated by Reserve Bank of India if approval is given.

Place :

(Signature of Authorised Official
of the Applicant Company)

Name:

Date:

Designation:



Appendix

List of Important Circulars/Notifications which have been consolidated in the Master Circular on Foreign Investments / Acquisition of Immovable property in India/ Establishment of Branch, Liaison and Project Offices in India and investments in proprietary / partnership firms

Notifications

Sl.No.	Notification	Date
1.	No. FEMA 32/2000-RB	December 26, 2000
2.	No. FEMA 35/2001-RB	February 16, 2001
3.	No. FEMA 41/2001-RB	March 2, 2001
4.	No. FEMA 45/2001-RB	September 20, 2001
5.	No. FEMA 46/2001-RB	November 29, 2001
6.	No. FEMA 50/2002-RB	February 20, 2002
7.	No. FEMA 55/2002-RB	March 7, 2002
8.	No. FEMA 62/2002-RB	May 13, 2002
9.	No. FEMA 64/2002-RB	June 29, 2002
10.	No. FEMA 65/2002-RB	June 29, 2002
11.	No. FEMA 76/2002-RB	November 12, 2002
12.	No. FEMA 85/2003-RB	January 17, 2003
13.	No. FEMA 93/2003-RB	June 9, 2003
14.	No. FEMA 94/2003-RB	June 18, 2003
15.	No. FEMA 100/2003-RB	October 3, 2003
16.	No. FEMA 101/2003-RB	October 3, 2003
17.	No. FEMA 106/2003-RB	October 27, 2003
18.	No. FEMA 108/2003-RB	January 1, 2004
19.	No. FEMA 111/2004-RB	March 6, 2004
20.	No.FEMA.118/2004-RB	June 29, 2004
21.	No.FEMA.122/2004-RB	August 30, 2004
22.	No.FEMA.125./2004-RB	November 27, 2004
23.	No.FEMA.130/2005-RB	March 17, 2005
24.	No.FEMA.131/2005-RB	March 17, 2005
25.	No.FEMA.138/2005-RB	July 22, 2005
26.	No. FEMA.136 /2005-RB	July 19, 2005
27.	No. FEMA.137/2005- RB	July 22, 2005
28.	No.FEMA.138/2005-RB	July 22, 2005
29.	No. FEMA.149/2006-RB	June 9, 2006
30.	No. FEMA.153/2006-RB	May 31, 2007
31.	No. FEMA.167/2007-RB	October 23, 2007
32.	No. FEMA.170/2007-RB	November 13, 2007
33.	No. FEMA.179/2008-RB	August 22, 2008



Circulars		
Sl.No.	Circulars	Date
1.	A.P.DIR(Series) Circular No.14	September 26, 2000
2.	A.P.DIR(Series) Circular No.24	January 6, 2001
3.	A.P.DIR(Series) Circular No.26	February 22, 2001
4.	A.P.DIR(Series) Circular No.32	April 28, 2001
5.	A.P.DIR(Series) Circular No.13	November 29, 2001
6.	A.P.DIR(Series) Circular No.21	February 13, 2002
7.	A.P.DIR(Series) Circular No.29	March 11, 2002
8.	A.P.DIR(Series) Circular No.1	July 2, 2002
9.	A.P.DIR(Series) Circular No.5	July 15, 2002
10.	A.P.DIR(Series) Circular No.19	September 12, 2002
11.	A.P.DIR(Series) Circular No.35	November 1, 2002
12.	A.P.DIR(Series) Circular No.45	November 12, 2002
13.	A.P.DIR(Series) Circular No.46	November 12, 2002
14.	A.P.DIR(Series) Circular No.52	November 23, 2002
15.	A.P.DIR(Series) Circular No.56	November 26, 2002
16.	A.P.DIR(Series) Circular No.67	January 13, 2003
17.	A.P.DIR(Series) Circular No.68	January 13, 2003
18.	A.P.DIR(Series) Circular No.69	January 13, 2003
19.	A.P.DIR(Series) Circular No.75	February 3, 2003
20.	A.P.DIR(Series) Circular No.88	March 27, 2003
21.	A.P.DIR(Series) Circular No.101	May 5, 2003
22.	A.P.DIR(Series) Circular No.10	August 20, 2003
23.	A.P.DIR(Series) Circular No.13	September 1, 2003
24.	A.P.DIR(Series) Circular No.14	September 16, 2003
25.	A.P.DIR(Series) Circular No.19	September 23, 2003
26.	A.P.DIR(Series) Circular No.28	October 17, 2003
27.	A.P.DIR(Series) Circular No.35	November 14, 2003
28.	A.P.DIR(Series) Circular No.38	December 3, 2003
29.	A.P.DIR(Series) Circular No.39	December 3, 2003
30.	A.P.DIR(Series) Circular No.43	December 8, 2003
31.	A.P.DIR(Series) Circular No.44	December 8, 2003
32.	AP (DIR Series) Circular No.53	December 17, 2003
33.	A.P.DIR(Series) Circular No.54	December 20, 2003
34.	A.P.DIR(Series) Circular No.63	February 3, 2004
35.	A.P.DIR(Series) Circular No.67	February 6, 2004
36.	A.P.DIR(Series) Circular No.89	April 24, 2004
37.	A.P.DIR(Series) Circular No.11	September 13, 2004
38.	A.P.DIR(Series) Circular No.13	October 1, 2004
39.	A.P.DIR(Series) Circular No.15	October 1, 2004



40	A.P.DIR(Series) Circular No.16	October 4, 2004
41.	A.P.DIR(Series) Circular No.39	April 25, 2005
42.	A.P.DIR(Series) Circular No.44	May 17, 2005
43.	AP (DIR Series) Circular No. 04	July 29, 2005
44.	A.P. (DIR Series) Circular No. 06	August 11, 2005
45.	A.P. (DIR Series) Circular No. 07	August 17, 2005
46.	A.P. (DIR Series) Circular No. 08	August 25, 2005
47.	A. P. (DIR Series) Circular No. 10	August 30, 2005
48.	A.P. (DIR Series) Circular No. 11	September 05, 2005
49.	A.P. (DIR Series) Circular No.16	November 11, 2005
50.	A.P.(DIR Series) Circular No. 24	January 25, 2006
51.	A.P.(DIR Series) Circular No. 4	July 28, 2006
52.	A.P.(DIR Series) Circular No. 5	August 16, 2006
53.	A.P.(DIR Series) Circular No. 12	November 16, 2006
54.	A.P.(DIR Series) Circular No. 25	December 22, 2006
55.	A.P.(DIR Series) Circular No. 32	February 8, 2007
56.	A.P.(DIR Series) Circular No. 40	April 20, 2007
57.	A.P.(DIR Series) Circular No. 62	May 24, 2007
58.	A.P.(DIR Series) Circular No. 65	May 31, 2007
59.	A.P.(DIR Series) Circular No. 73	June 8, 2007
60.	A.P.(DIR Series) Circular No. 74	June 8, 2007
61.	A.P.(DIR Series) Circular No. 2	July 19, 2007
62.	A.P.(DIR Series) Circular No. 20	December 14, 2007
63.	A.P.(DIR Series) Circular No. 22	December 19, 2007
64.	A.P.(DIR Series) Circular No. 23	December 31, 2007
65.	A.P.(DIR Series) Circular No. 40	April 28, 2008
66.	A.P.(DIR Series) Circular No. 41	April 28, 2008
67.	A.P.(DIR Series) Circular No. 44	May 30, 2008
68.	A.P.(DIR Series) Circular No. 02	July 31, 2008
69.	A.P.(DIR Series) Circular No. 25	October 17, 2008
70.	A.P.(DIR Series) Circular No. 63	April 22, 2009