



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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**Increase in Foreign Investment Limit/Ceiling in an
Indian Company under PIS - FII's up to 40% : Karur Vysya Bank Ltd.**

The Reserve Bank of India advise that the [Karur Vysya Bank Ltd.](http://www.karurvysyabank.com) has passed a resolution at its Board of Directors' Meeting and a resolution in its Annual General Meeting agreeing for the purchase of its equity shares by FII's up to 40% of their paid-up capital through primary/secondary markets in India.

Reserve Bank's approval to the Karur Vysya Bank Ltd. for raising FII investment limit to 40% is subject to the condition that aggregate foreign investment in the bank should also not exceed the composite sectoral cap of 49% (49% under Automatic Route & beyond 49% to 74% under Government Route) as prescribed by the Government from time to time.

As the Karur Vysya Bank Ltd has now passed the necessary resolutions in this regard equity shares of the Karur Vysya Bank Ltd can now be purchased through primary market and stock exchanges provided the purchase of equity shares by a single FII/SEBI approved sub-account of a registered FII in the Karur Vysya Bank Ltd. shall not exceed 10% (Ten percent) of the paid-up equity capital of the bank. It may be ensured that the investments made are within the stipulated ceilings.

It may be noted that the present policy of Department of Banking Operations and Development (DBOD) requires RBI acknowledgement for acquisition / transfer of shares of 5% and more of a private sector bank by FII's, based upon policy guidelines on acknowledgement of acquisition / transfer of shares issued on February 3, 2004.

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