

**Reserve Bank of India  
Foreign Exchange Department  
Central Office  
Mumbai- 400 001**

**Notification No. FEMA. 242/2012- RB**

**Dated October 19, 2012**

**Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) (Sixth Amendment) Regulations, 2012**

In exercise of the powers conferred by clause (b) of sub-section (3) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India hereby makes the following amendments in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ([Notification No. FEMA. 20 / 2000-RB dated 3rd May 2000](#)) (hereinafter referred to as 'the principal Regulations'), namely:-

**1. Short Title & Commencement:-**

- (i) These Regulations may be called the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Sixth Amendment) Regulations, 2012.
- (ii) Save as otherwise provided in these Regulations as to the coming into force of any particular provision, the provisions of these Regulations shall come into force from the date of publication of this notification.

**2. Amendment to Regulation 2**

In the principal Regulations, in Regulation 2, after clause (viii), the following new clause shall be inserted and shall be deemed to have been inserted with effect from the 9th day of August 2011, namely;

“(viiiia) ‘Qualified Foreign Investor’ (QFI) means

- (a) during the period from 9<sup>th</sup> day of August, 2011 to 15<sup>th</sup> day of July, 2012, a person who satisfied the following criteria at the relevant time,
  - (i) resident of a country, that is compliant with the Financial Action Task Force (FATF) standards and is a signatory to the IOSCO’s Multilateral Memorandum of Understanding (MMoU); and
  - (ii) satisfied the KYC requirements stipulated by SEBI

Provided that such a person is not registered with SEBI as a Foreign Institutional Investor (FII) or Foreign Venture Capital Investor (FVCI).

(b) With effect from 16<sup>th</sup> day of July, 2012, a person who satisfies the following criteria at the relevant time:

(i) Resident in a country that is a member of FATF or a member of a group which is a member of FATF; and

(ii) Resident in a country that is a signatory to IOSCO's MMoU (and referred to as Appendix A Signatories therein) or a signatory of a bilateral MoU with SEBI

Provided that the person is not resident in a country listed in the public statements issued by FATF from time to time on jurisdictions having strategic AML/CFT deficiencies to which counter measures apply or that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the FATF to address the deficiencies;

Provided that such person is not resident in India;

Provided further that such person is not registered with SEBI as a FII or Sub-Account of an FII or FVCI.

Explanation – For the purposes of this clause :

1. "bilateral MoU with SEBI" shall mean a bilateral MoU between SEBI and the overseas regulator that, inter alia, provides for information sharing arrangements.
2. Member of FATF shall not mean an associate member of FATF."

### **3. Amendment to Regulation 5**

In the principal Regulations, in Regulation 5,

- (i) In sub-regulation (4), after the words "or a Foreign Central Bank", the words 'or a QFI or any other person resident outside India included in Schedule 5' shall be inserted and shall be deemed to have been inserted with effect from the 9th day of August 2011.

- (ii) after sub-regulation (7), the following shall be inserted and shall be deemed to have been inserted with effect from the 13th day of January, 2012, namely :

“(7A) A QFI may purchase equity shares of an Indian company subject to the terms and conditions specified in Schedule 8.”

- (iii) after sub-regulation(7A), the following shall be inserted, namely:

“Explanation : For the purposes of sub-regulations (1) to (7) above, no class of investor referred to in those sub-regulations shall make investment, directly or indirectly, in any security, issued by an Indian company which is engaged or proposes to engage in any of the activities in which foreign investment is prohibited under sub-regulation (b) of Regulation 4 of the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000, as amended from time to time”.

#### **4. Amendment to Regulation 10.**

In principal Regulation, in Regulation 10,

(1) in the heading, for the opening words ‘Prior permission’, the word “Permission” shall be substituted and shall be deemed to have been substituted, with effect from 4th day of November 2011.

(2). in sub-regulation A, for clauses (b) and (c), the following shall be substituted and shall be deemed to have been substituted with effect from the 4th day of November, 2011, namely:

“ b) any shares or convertible debentures of an Indian company under the Foreign Direct Investment Scheme, whose activities fall under Annex B to Schedule 1, shall, subject to sectoral limits specified therein, transfer such shares or convertible debentures without prior approval of the Reserve Bank if the same is by way of sale, subject to the following:

(i) that the parties concerned adhere to the pricing guidelines, documentation and reporting requirements for such transfers, stipulated by the Reserve Bank from time to time.

(ii) where the transfer of shares or convertible debentures requires the prior approval of the Foreign Investment Promotion Board (FIPB) as per the extant Foreign Direct Investment (FDI) policy:

(a) the requisite approval of the FIPB has been obtained; and

(b) the transfer of shares or convertible debentures adheres with the pricing guidelines and documentation, reporting requirements as stipulated by the Reserve Bank from time to time.

(iii) where SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 are attracted, the pricing guidelines and documentation, reporting requirements as stipulated by SEBI are complied with.

Provided howsoever that in case the SEBI guidelines as aforesaid are not complied with, for the purposes of this Regulation, compliance with pricing guidelines, reporting and documentation requirements as stipulated by RBI shall be sufficient.

(iv) where the pricing guidelines under the Foreign Exchange Management Act, (FEMA) 1999 are not complied with -

(a) The resultant FDI is in compliance with the requirements of Schedule 1, other than pricing guidelines; and

(b) The pricing for the transaction is compliant with the applicable SEBI Regulations/guidelines; and

(c) Chartered Accountants Certificate to the effect that compliance with the applicable SEBI regulations / guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank.

(v) where the investee company is in the financial services sector

(a) No Objection Certificates (NOCs) are obtained from the respective financial sector regulators/ regulators of the investee company as well

as transferor and transferee entities and such NOCs are filed along with the form FC-TRS with the AD bank; and

(b) The requirements of Schedule 1 are complied with.

**EXPLANATION :** *For the purpose of this Regulation, “financial services”, shall mean service rendered by banking and non-banking companies regulated by the Reserve Bank, insurance companies regulated by Insurance Regulatory and Development Authority (IRDA), pension funds regulated by the Pension Fund Regulatory and Development Authority, other companies regulated by any other financial regulator and such other services as may be directed by Reserve Bank from time to time,*

“(c) any shares or convertible debentures by way of sale, shall make an application to the Reserve Bank for its approval if

- (i) the transfer is to take place at a price which is not in conformity with the pricing guidelines stipulated by either the Reserve Bank or the SEBI , or
- (ii) it is not covered by clause (b) above. ”

(3) in sub-regulation A, after clause (c) the following shall be inserted and shall be deemed to have been inserted with effect from the 22nd day of April 2009, namely :

“(d) any shares or convertible debentures by way of sale, shall make an application to the Reserve Bank for its approval if the non-resident acquirer proposes deferment of payment of the amount of consideration”.

(4) in sub-regulation B, after clause (2), the following shall be inserted and shall be deemed to have been inserted with effect from 4th day of November 2011, namely:

“(3) Where pricing guidelines under the Foreign Exchange Management Act (FEMA), 1999 are not complied with, a person resident outside India, may transfer shares or convertible debentures of an Indian Company, by way of sale, to a person resident in India, without the prior permission of the Reserve Bank , subject to the following

- (a) The original and resultant investment are in conformity with the requirements of Schedule 1, other than pricing guidelines; and

(b) The pricing for the transaction is compliant with the applicable SEBI regulations / guidelines; and

(c) Chartered Accountants Certificate to the effect that compliance with the applicable SEBI regulations / guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank.”

## **5. Amendment to Regulation 12**

In the principal Regulations, in Regulation 12, after sub-regulation (ii), the following shall be inserted, and shall be deemed to have been inserted with effect from the 2nd day of May 2011, namely:

“(iii) Any person being a non resident investor of a company registered in India (resident investee company) may pledge the shares or convertible debentures of that company to a bank in India to secure the credit facilities being extended to that company for bonafide purposes, subject to the AD bank satisfying itself of the compliance of the conditions stipulated by the Reserve Bank, from time to time, in this regard.

(iv) Any person being a non resident investor of a company registered in India (resident investee company) may pledge the shares or convertible debentures of that company to an overseas bank to secure the credit facilities being extended to the non resident investor or non resident promoter of the resident investee company or its overseas group company subject to the AD bank satisfying itself of the compliance of the conditions stipulated by the Reserve Bank from time to time in this regard.”

## **6. Amendment to Schedule 1**

In the principal Regulations, in Schedule 1,

(I) in paragraph 3, in clause (d) the words ‘including second-hand machinery’ shall be substituted by the words ‘excluding second-hand machinery’ and shall be deemed to have been substituted with effect from the 10th day of April 2012.

(II) after paragraph 5, the following shall be inserted and shall be deemed to have been inserted with effect from 26th day of September 2012, namely:

“ 5B. Notwithstanding anything contained in paragraph 5 above, where shares in an Indian company are issued to a person resident outside India in compliance with the provisions of the Companies Act, 1956, by way of subscription to Memorandum of Association, such investments may be made at face value subject to eligibility to invest under this Schedule.”

(III) in paragraph 8,

(a) after clause (ii), the following shall be inserted and shall be deemed to have been inserted with effect from the 2nd day of May 2011, namely:

“(iii) by debit to a non-interest bearing Escrow account (in Indian Rupees) maintained in India with an AD bank in accordance with Foreign Exchange Management ( Deposit ) Regulations, 2000.”

(b) in the Explanation, after the words “ as given else where in the Schedule”, the words“ import payables of capital goods by units in Special Economic Zones”. shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2003.

(c) in the First Proviso, for the words “ debit to NRE/FCNR(B) account” the words “debit to NRE / FCNR (B) /Escrow account” shall be substituted and shall be deemed to have been substituted with effect from the 2nd day of May, 2011.

(IV) In paragraph 9,

(a) for sub-paragraph (1) the following shall be substituted and shall be deemed to have been substituted with effect from the 30th day of May 2008, namely:

**“Reporting of issuance of shares of Indian company:**

9 (1) An Indian company issuing shares or convertible debentures in accordance with these Regulations shall submit through AD bank to the

Regional Office concerned of the Reserve Bank under whose jurisdiction the Registered office of the company operates,

(A) not later than 30 days from the date of receipt of the amount of consideration received by Indian company for issue of shares and convertible debentures, a report in form specified in Annex C to this Schedule along with a copy/ies of Foreign Inward Remittance Certificate/s (FIRC), Know Your Customer (KYC) report on the non resident investor and details of the Government approval, if any.

(B) not later than 30 days from the date of issue of shares, a report in form FC-GPR together with,

(i) a certificate from the Company Secretary of the company accepting investment from persons resident outside India certifying that

(a) all the requirements of the Companies Act, 1956 have been complied with;

(b) terms and conditions of the Government 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 in accordance with paragraph 8 of this Schedule;

(ii) a certificate from SEBI registered Merchant Banker or Chartered Accountant indicating the manner of arriving at the price of the shares issued to the persons resident outside India.

[Provided that, in addition to above, the company shall report the conversion of ECB into equity, in ECB-2 Return of the respective month in case of full conversion of ECB. In case of partial conversion of ECB, the converted portion shall be reported in form FC-GPR to the Regional Office concerned of Reserve Bank and non-converted portion in Form ECB-2].

**(b)** after sub-paragraph (1), the following shall be inserted and shall be deemed to have been inserted with effect from the 15th day of March 2011.



“(2) All Indian companies which have received Foreign Direct Investment in the previous year(s) including the current year shall submit to the Reserve Bank of India, on or before the 15<sup>th</sup> day of July of each year, a report titled “Annual Return on Foreign Liabilities and Assets” in the form specified in Annex E to this Schedule.

(3) Reserve Bank may, by notification, modify from time to time, the format of report titled “Annual Return on Foreign Liabilities and Assets” specified in Annex E to this Schedule.

(V). after paragraph 9, the following shall be inserted and shall be deemed to have been inserted with effect from the 22<sup>nd</sup> day of April 2009, namely:

**"Reporting of transfer of shares of Indian company:**

10.(i) In case of transfer of shares or convertible debentures of an Indian company by way of sale from a person resident in India to a person resident outside India or vice versa, the transferor/transferee, resident in India, shall submit to the AD bank a report in the form FC-TRS specified in Annex F to this Schedule, within 60 days from the date of receipt or payment of the amount of consideration. The onus of submission of the form FC-TRS within the specified time shall be on the transferor / transferee, resident in India.

(ii) Reserve Bank may, by notification, modify from time to time the Form FC-TRS specified in Annex F to this Schedule.

(iii) The IBD/FED/nodal branch of the AD bank shall submit a consolidated monthly statement in respect of all such transactions reported by its branches, to the Reserve Bank in the form and manner stipulated by Reserve Bank, Foreign Exchange Department, Central Office, from time to time.

(iv) The sale consideration in respect of shares or convertible debentures remitted into India through normal banking channels, shall be subjected to a KYC check by the remittance receiving AD bank at the time of receipt of funds. In case, the remittance receiving AD bank is different from the AD bank handling

the transfer transaction, the KYC check shall be carried out by the remittance receiving bank and the KYC report shall be submitted by the customer to the AD bank for carrying out the transaction along with the form FC-TRS.

(v) In case prior approval of the Reserve Bank is granted for transfer of shares or convertible debentures, from a resident to the non-resident on deferred payment of consideration, the same shall be reported in form FC-TRS, duly certified by the AD bank, within 60 days from the date of receipt of the full and final amount of consideration.”

(VI) The existing paragraph 10 shall be renumbered as paragraph 11.

(VII) For the existing Annex A, “Annex A” hereto shall be substituted and shall be deemed to have been substituted with effect from the 20<sup>th</sup> day of September, 2012.

(VIII) For the existing Annex B, “Annex B” hereto shall be substituted with effect from the date of this notification unless a different date is indicated for the coming into force of any item therein.

(IX) For the existing Annex C, “Annex C” hereto shall be substituted.

(X) For the existing Annex D , “Annex D” hereto shall be substituted and shall be deemed to have been substituted with effect from the 15<sup>th</sup> day of March 2011.

(XI) After Annex D, “Annex E” hereto shall be inserted and shall be deemed to have been inserted with effect from the 15<sup>th</sup> day of March 2011.

## **7. Amendment to Schedule 2**

In the principal Regulations, in Schedule 2,

- (i) in paragraph 1, in sub-paragraph 5, in the proviso, for clause (b), the following shall be substituted and shall be deemed to have been substituted with effect from the 21<sup>st</sup> day of April 2010, namely:-

“( b)in case of issue by private placement, the price is not less than the price arrived in terms of SEBI guidelines or not less than the fair price

worked out as per the Discounted Cash Flow method duly certified by a SEBI registered Merchant Banker or Chartered Accountant, as applicable.”

(ii) in paragraph 2, after clause (iii), the following shall be inserted, namely:

“(iv) The Foreign Currency Account and the Special Non-Resident Rupee account of the registered FII shall be a non-interest bearing account/s.”

## **8. Amendment to Schedule 5**

In the principal Regulations, in Schedule 5,

(i).In paragraph 1, the following shall be substituted , namely:

### **“Permission to Foreign Institutional Investors for purchase of securities.**

(1) A registered Foreign Institutional Investor (FII) may purchase, on repatriation basis, either directly from the issuer of such securities or through a registered stock broker on a recognized Stock Exchange in India the following securities, subject to the terms and conditions as specified by the SEBI and the Reserve Bank from time to time:

(a) dated Government securities/treasury bills;

(b) listed non-convertible debentures/bonds issued by an Indian company;

(c) commercial papers issued by an Indian company;

(d) units of domestic mutual funds;

(e) Security Receipts issued by Asset Reconstruction Companies provided that the total holding by a single FII in each tranche of scheme of Security Receipts shall not exceed 10 per cent of the issue and the total holdings of all FIIs put together shall not exceed 49 per cent of the paid up value of each tranche of scheme of Security Receipts issued by the Asset Reconstruction Companies;

(f) Perpetual Debt instruments eligible for inclusion as Tier I capital and Debt capital instruments as upper Tier II capital issued by banks in India to augment their capital (Tier I capital and Tier II capital as defined by Reserve Bank, and modified from time to time) provided that the investment by all FIIs in Perpetual Debt instruments (Tier I) shall not exceed an aggregate ceiling of 49 per cent

of each issue, and investment by individual FII shall not exceed the limit of 10 per cent of each issue. The investment by FIIs in Debt capital instruments (Tier II) shall be within the limits stipulated by SEBI for FII investment in corporate debt;

(g) with effect from April 29, 2011 listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant ECB guidelines, subject to residual maturity and lock-in period as stipulated by Reserve Bank from time to time. ;

(h) with effect from November 3, 2011 non-convertible debentures/bonds issued by Non-Banking Finance Companies categorized as 'Infrastructure Finance Companies'(IFCs) by the Reserve Bank, subject to residual maturity and lock-in period as stipulated by the SEBI and the Reserve Bank from time to time

(i) with effect from November 22, 2011, Rupee denominated bonds/units issued by Infrastructure Debt Funds subject to lock-in period and residual maturity as stipulated by the Reserve Bank and SEBI from time to time, provided that the FIIs may trade such bonds/ units amongst the eligible non-resident investors for Infrastructure Debt Funds within the lock-in period;

(j) with effect from March 1, 2012, primary issues of non-convertible debentures / bonds provided such non-convertible debentures / bonds are committed to be listed within 15 days of such investment. In the event of such non-convertible debentures / bonds issued not being listed within 15 days of issuance, for any reason, then the FII shall immediately dispose of those non-convertible debentures / bonds either by way of sale to a third party or to the issuer and the terms of offer to FIIs should contain a clause that the issuer of such debt securities shall immediately redeem / buyback those securities from the FIIs in such an eventuality.

**Provided** that FIIs may offer such securities as permitted by the Reserve Bank from time to time as collateral to the recognized Stock Exchanges in India for their transactions in exchange traded derivative contracts as specified in sub-Regulation 6 of Regulation 5.”

(ii) in paragraph 2, in sub-paragraph 1(A), after clause (iii), the following shall be inserted and shall be deemed to have been inserted with effect from the 22nd day of November 2011, namely,

“(iv) bonds/units issued by Infrastructure Debt Funds, subject to lock-in period and residual maturity as stipulated by the Reserve Bank and SEBI from time to time, provided that a Non Resident Indian may trade such bonds/ units amongst the eligible non-resident investors for Infrastructure Debt Funds within the lock-in period.”

(iii) after paragraph 1, the following shall be inserted and shall be deemed to have been inserted with effect from the 9th day of August 2011, namely:

**“ Permission for Qualified Foreign Investors for purchase of securities**

1A (i) A QFI may purchase on repatriation basis, subject to the terms and conditions stipulated by the SEBI and the Reserve Bank in this regard from time to time in the following rupee denominated units of :

- (a) equity schemes of SEBI registered domestic mutual funds,
- (b) debt scheme of SEBI registered domestic mutual funds which invest in infrastructure,
- (c) any scheme of SEBI registered domestic mutual funds that hold at least 25 per cent of their assets (either in debt or equity or both) in infrastructure.

For the purpose of sub-clauses (b) and (c) above, ‘infrastructure’ shall mean infrastructure as defined in terms of the ECB guidelines.

(ii) A QFI may purchase securities referred to in sub-clauses (a) to (c) above under the following routes, subject to the terms and conditions stipulated by SEBI and Reserve Bank in this regard, from time to time:

- (a) Direct Route- SEBI registered Qualified Depository Participant (QDP) route;
- (b) Indirect Route – Unit Confirmation Receipt (UCR) route.”

(iv) in Paragraph 1A, after clause (ii), the following shall be inserted and shall be deemed to have been inserted with effect from the 16th day of July 2012.

“(iii) A QFI may:

(a) purchase, on repatriation basis through SEBI registered Qualified Depository Participants (QDPs) (defined as per the extant SEBI regulations), listed non-convertible debentures, listed bonds of Indian companies and listed units of Mutual Fund Debt Schemes directly from the issuer or through a registered stock broker on a recognized stock exchange in India and sell through a registered stock broker on a recognized stock exchange in India or by way of buyback or redemption by the issuer;

(b) invest in primary issues of non-convertible debentures / bonds provided such non-convertible debentures / bonds are committed to be listed within 15 days of such investment. In the event of such non-convertible debentures / bonds issued to the QFI not being listed within 15 days of issuance to the QFI for any reason, then the QFI shall immediately dispose of these non-convertible debentures / bonds either by way of sale to a third party or to the issuer and the terms of offer to QFI should contain a clause that the issuer of such debt securities shall immediately redeem / buyback the said securities from the QFIs in such an eventuality.”

(v) in paragraph 1A, after clause (iii), the following shall be inserted and shall be deemed to have been inserted with effect from the 9th day of August 2011.

“(iv) A QFI which purchases securities under this Regulation shall open a single demat account with a Qualified Depository Participant in India.”

(vi) after paragraph 1A, the following shall be inserted and shall be deemed to have been inserted with effect from the 22nd day of November 2011”

**"Permission to Other Non Resident investors for purchase of securities**

1B (i) Long term investors like Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and High

Networth Individuals which are registered with SEBI as eligible non-resident investors in Infrastructure Debt Funds may purchase on repatriation basis Rupee denominated bonds/ units issued by Infrastructure Debt Funds subject to lock-in period and residual maturity as stipulated by the Reserve Bank and SEBI from time to time provided that aforementioned investors may trade such bonds/ units amongst the eligible non-resident investors for Infrastructure Debt Funds within the lock-in period”.

(vii) in paragraph 1B, after clause (i), the following shall be inserted and shall be deemed to have been inserted with effect from the 25th day of June 2012.

"(ii) Long term investors like Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks registered with SEBI may purchase, on repatriation basis, dated Government securities, subject to the terms and conditions as stipulated by the SEBI and the Reserve Bank from time to time”.

(viii) in paragraph 3, after sub-paragraph (4), the following shall be inserted and shall be deemed to have been inserted with effect from the 9th day of August 2011, namely:

“(5) A QFI who purchases securities under this Schedule (other than by way of Indirect Route) shall make payment out of funds held in a single non-interest bearing Rupee Account maintained with an AD bank in terms of the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time”.

## **9. Amendment to Schedule 6**

In the principal Regulations, in Schedule 6, in paragraph 1, at the end of sub-paragraph (2), the following shall be added and shall be deemed to have been added with effect from the 19th day of March 2012, namely:

"The registered FVCI may invest in the eligible securities (equity, equity linked instruments, debt, debt instruments, debentures of an IVCU or VCF, units of schemes / funds set up by a VCF) by way of private arrangement / purchase

from a third party, subject to the terms and conditions stipulated by the Reserve Bank from time to time. The registered FVCI may invest in securities on a recognized stock exchange subject to the provisions of the SEBI (FVCI) Regulations, 2000, as amended from time to time, as well as the terms and conditions stipulated therein.”

#### **10. Amendment to Schedule 7**

In the principal Regulations, in Schedule 7, in paragraph 2, for clause (b), the following shall be substituted and shall be deemed to have been substituted with effect from the 28<sup>th</sup> day of August, 2012.

“(b) Limited two way fungibility of IDRs shall be permissible subject to the terms and conditions stipulated by Reserve Bank in this regard from time to time.

**(Rudra Narayan Kar)**  
**Chief General Manager**

#### **Foot Note:**

@(i) It is clarified that no person will be adversely affected as a result of the retrospective effect being given to these regulations, since all the directions were issued through A.P. (DIR Series) Circulars on the different dates indicated as effective dates in this Notification.

(ii) The Principal Regulations were published in the Official Gazette vide G.S.R.No. 406(E) dated May 8, 2000 in Part II, Section 3, sub-section (i) and subsequently amended as under:

G.S.R.No. 158(E) dated 02.03.2001  
G.S.R.No. 175(E) dated 13.03.2001  
G.S.R.No. 182(E) dated 14.03.2001  
G.S.R.No. 4(E) dated 02.01.2002  
G.S.R.No. 574(E) dated 19.08.2002  
G.S.R.No. 223(E) dated 18.03.2003  
G.S.R.No. 225(E) dated 18.03.2003  
G.S.R.No. 558(E) dated 22.07.2003  
G.S.R.No. 835(E) dated 23.10.2003  
G.S.R.No. 899(E) dated 22.11.2003  
G.S.R.No. 12(E) dated 07.01.2004  
G.S.R.No. 278(E) dated 23.04.2004  
G.S.R.No. 454(E) dated 16.07.2004



G.S.R.No. 625(E) dated 21.09.2004  
G.S.R.No. 799(E) dated 08.12.2004  
G.S.R.No. 201(E) dated 01.04.2005  
G.S.R.No. 202(E) dated 01.04.2005  
G.S.R.No. 504(E) dated 25.07.2005  
G.S.R.No. 505(E) dated 25.07.2005  
G.S.R.No. 513(E) dated 29.07.2005  
G.S.R.No. 738(E) dated 22.12.2005  
G.S.R.No. 29(E) dated 19.01.2006  
G.S.R.No. 413(E) dated 11.07.2006  
G.S.R.No. 712(E) dated 14.11.2007  
G.S.R.No. 713(E) dated 14.11.2007  
G.S.R.No. 737(E) dated 29.11.2007  
G.S.R.No. 575(E) dated 05.08.2008  
G.S.R.No. 896(E) dated 30.12.2008  
G.S.R.No. 851(E) dated 01.12.2009  
G.S.R.No. 341 (E) dated 21.04.2010  
G.S.R.No.\_\_\_\_\_ dated \_\_\_\_\_  
G..S.R.No.606(E) dated 03.08.2012  
G.S.R.No.\_\_\_\_\_ dated \_\_\_\_\_  
G.S.R.No.\_\_\_\_\_ dated \_\_\_\_\_ and  
G.S.R.No.\_\_\_\_\_ dated \_\_\_\_\_.

**Published in the Official Gazette of Government  
of India – Extraordinary – Part-II, Section 3,  
Sub-Section (i) dated 30.10.2012- G.S.R.No.795 (E)**

## **Schedule 8**

*[See Regulation 5 (7A)]*

### **Scheme for Investment by Qualified Foreign Investors in equity shares**

#### **1. Eligible Investors:**

The Schedule shall be applicable to Qualified Foreign Investors (QFIs) as defined in these regulations.

#### **2. Eligible instruments and eligible transactions –**

(a). Purchase: QFIs shall be permitted to invest through SEBI registered Qualified Depository Participants (QDPs)-

(i) in equity shares of listed Indian companies through SEBI registered stock brokers on recognized stock exchanges in India.

(ii) in equity shares of Indian companies which are offered to public in India in terms of the relevant and applicable SEBI guidelines/regulations.

(iii) equity shares by way of rights shares, bonus shares or equity shares on account of stock split / consolidation or equity shares on account of amalgamation, demerger or such corporate actions.

(b) Sale : QFIs shall be allowed to sell the equity shares so acquired by way of sale

(i). Through recognized brokers on recognized stock exchanges in India; or

(ii). In an open offer in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; or

(iii). In an open offer in accordance with the SEBI (Delisting of Securities) Guidelines, 2009; or

(iv). Through buyback of shares by a listed Indian company in accordance with the SEBI (Buyback) Regulations, 1998.

3. **Pricing** – The pricing of all eligible transactions and investment in all eligible instruments by QFIs under this scheme shall be in accordance with the relevant and applicable SEBI guidelines only.

4. **Mode of payment / repatriation** – For QFI investments under this scheme open a single non-interest bearing Rupee Account with an AD Category- I bank in India, for the limited purpose of routing the receipt and payment for transactions relating to purchase and sale of equity shares of listed Indian companies subject to the following conditions :

(a). The account shall be funded by inward remittance through normal banking channel and by credit of the sale/redemption/buyback proceeds (net of taxes) and on account of interest payment / dividend on the eligible securities for QFIs.

(b). The funds in this account shall be utilized for purchase of eligible securities for QFIs or for remittance (net of taxes) outside India.

(c). The QDP will operate such non-interest bearing Rupee Accounts on behalf of the QFIs and at the instructions of the QFIs.

5. **Demat accounts** - QFIs would be allowed to open a dedicated demat account with a QDP in India for investment in equity shares under the scheme. It is clarified that each QFI shall maintain a single demat account with a QDP for all investments in eligible securities for QFIs in India.

#### 6. **Limits and its monitoring:**

The individual and aggregate investment limits for the QFIs shall be 5 per cent and 10 per cent respectively of the paid up capital of an Indian company. These limits shall be over and above the FII and NRI investment ceilings prescribed under the Portfolio Investment Scheme for foreign investment in India. Further, wherever there are composite sectoral caps under the extant FDI policy, these limits for QFI investment in equity shares shall also be within such overall FDI sectoral caps.

The onus of monitoring and compliance of these limits shall remain jointly and severally with the respective QFIs, DPs and the respective Indian companies (receiving such investment)

## 7. Other conditions

(i) **Eligibility** – QFI would have to meet eligibility criteria as prescribed by SEBI from time to time.

(ii) **Know Your Customer (KYC)** - QDPs will ensure KYC of the QFIs as per the norms prescribed by SEBI. AD Category-I banks will also ensure KYC of the QFIs for opening and maintenance of the single non- interest bearing Rupee accounts as per the extant norms.

(iii) **Permissible currencies** - QFIs will remit foreign inward remittance through normal banking channel in any permitted currency (freely convertible) directly into the single non-interest bearing Rupee account of the QFI maintained with an AD Category-I bank.

8. **Reporting** – In addition to the reporting to SEBI as may be prescribed by them, QDPs and AD Category-I banks (maintaining QFI accounts) will also ensure reporting to the Reserve Bank of India in a manner and format as prescribed by the Reserve Bank of India from time to time

**Sectors Prohibited for FDI**

FDI is prohibited in:

- (a) Lottery Business including Government/ private lottery, online lotteries, etc.
- (b) Gambling and Betting including casinos etc.
- (c) Chit funds
- (d) Nidhi company
- (e) Trading in Transferable Development Rights (TDRs)
- (f) Real Estate Business or Construction of Farm Houses
- (g) Manufacturing of Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes
- (h) Activities / sectors not open to private sector investment e.g. Atomic Energy and Railway Transport (other than Mass Rapid Transport Systems).

**Note:** Foreign technology collaboration in any form including licensing for franchise, trademark, brand name, management contract is also prohibited for Lottery Business and Gambling and Betting activities.”

## Sector-specific policy for foreign investment

In the following sectors/activities, FDI up to the limit indicated against each sector/activity is allowed, subject to applicable laws/ regulations; security and other conditionalities. In sectors/activities not listed below, FDI is permitted upto 100% on the automatic route, subject to applicable laws/ regulations; security and other conditionalities.

Wherever there is a requirement of minimum capitalization, it shall include share premium received along with the face value of the share, only when it is received by the company upon issue of the shares to the non-resident investor. Amount paid by the transferee during post-issue transfer of shares beyond the issue price of the share, cannot be taken into account while calculating minimum capitalization requirement.

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
<b>AGRICULTURE</b>			
<b>1.</b>	<b>Agriculture &amp; Animal Husbandry</b>		
	a) Floriculture, Horticulture, Apiculture and Cultivation of Vegetables & Mushrooms under controlled conditions; b) Development and production of Seeds and planting material; c) Animal Husbandry (including breeding of dogs), Pisciculture, Aquaculture, under controlled conditions; and d) services related to agro and allied sectors  <b>Note: Besides the above, FDI is not allowed in any other agricultural sector/activity</b>	100%	Automatic
1.1	<b>Other Conditions :</b>		
	I. For companies dealing with development of transgenic seeds/vegetables, the following conditions apply:  (i) When dealing with genetically modified seeds or planting material the company shall comply with safety requirements in accordance with laws enacted under the Environment (Protection) Act on the genetically modified organisms.  (ii) Any import of genetically modified materials if required shall be subject to the conditions laid down vide Notifications issued under Foreign Trade (Development and Regulation) Act, 1992.  (iii) The company shall comply with any other Law, Regulation or Policy governing genetically modified material in force from time to time.  (iv) Undertaking of business activities involving the use of genetically		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>engineered cells and material shall be subject to the receipt of approvals from Genetic Engineering Approval Committee (GEAC) and Review Committee on Genetic Manipulation (RCGM).</p> <p>(v) Import of materials shall be in accordance with National Seeds Policy.</p>		
	<p>II. The term 'under controlled conditions' covers the following:</p> <p><input type="checkbox"/> 'Cultivation under controlled conditions' for the categories of Floriculture, Horticulture, Cultivation of vegetables and Mushrooms is the practice of cultivation wherein rainfall, temperature, solar radiation, air humidity and culture medium are controlled artificially. Control in these parameters may be effected through protected cultivation under green houses, net houses, poly houses or any other improved infrastructure facilities where micro- climatic conditions are regulated anthropogenically.</p> <p><input type="checkbox"/> In case of Animal Husbandry, scope of the term 'under controlled Conditions' covers –</p> <p>o Rearing of animals under intensive farming systems with stall- feeding. Intensive farming system will require climate systems (ventilation, temperature/humidity management), health care and nutrition, herd registering/pedigree recording, use of machinery, waste management systems.</p> <p>o Poultry breeding farms and hatcheries where micro-climate is controlled through advanced technologies like incubators, ventilation systems etc.</p> <p><input type="checkbox"/> In the case of pisciculture and aquaculture, scope of the term 'under controlled conditions' covers –</p> <p>o Aquariums</p> <p>o Hatcheries where eggs are artificially fertilized and fry are hatched and incubated in an enclosed environment with artificial climate control.</p> <p><input type="checkbox"/> In the case of apiculture, scope of the term "under controlled conditions" covers –</p> <p>o Production of honey by bee-keeping, except in forest/wild, in designated spaces with control of temperatures and climatic factors like humidity and artificial feeding during lean seasons.</p>		
2	<b>Tea Plantation</b>		
2.1	<p>Tea sector including tea plantations</p> <p><b>Note: Besides the above, FDI is not allowed in any other plantation sector/activity</b></p>	100%	Government
2.2	<b>Other Conditions :</b>		
	<p>(i) Compulsory divestment of 26% equity of the company in favour of an Indian partner/Indian public within a period of 5 years</p> <p>(ii) Prior approval of the State Government concerned in case of any future land</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	use change.		
<b>3</b>	<b>MINING</b>		
3.1	<b>Mining and Exploration of metal and non metal ores</b> including diamond, gold, silver and precious ores but excluding titanium bearing minerals and its ores; <b>subject to</b> the Mines and Minerals (Development & Regulation) Act, 1957.	100%	Automatic
3.2	<b>Coal and Lignite</b>		
	(1) Coal & Lignite mining for captive consumption by power projects, iron & steel and cement units and other eligible activities permitted under and <b>subject to</b> the provisions of Coal Mines (Nationalization) Act, 1973	100%	Automatic
	(2) Setting up coal processing plants like washeries, subject to the condition that the company shall not do coal mining and shall not sell washed coal or sized coal from its coal processing plants in the open market and shall supply the washed or sized coal to those parties who are supplying raw coal to coal processing plants for washing or sizing.	100%	Automatic
3.3	<b>Mining and mineral separation of titanium bearing minerals and ores, its value addition and integrated activities</b>		
3.3.1	Mining and mineral separation of titanium bearing minerals & ores, its value addition and integrated activities <b>subject to</b> sectoral regulations and the Mines and Minerals (Development and Regulation Act 1957)	100%	Government
3.3.2	<b>Other conditions:</b>		
	<p>India has large reserves of beach sand minerals in the coastal stretches around the country. Titanium bearing minerals viz. Ilmenite, rutile and leucoxene, and Zirconium bearing minerals including zircon are some of the beach sand minerals which have been classified as 'prescribed substances' under the Atomic Energy Act, 1962.</p> <p>Under the Industrial Policy Statement 1991, mining and production of minerals classified as 'prescribed substances' and specified in the Schedule to the Atomic Energy (Control of Production and Use) Order, 1953 were included in the list of industries reserved for the public sector. Vide Resolution No. 8/1(1)/97-PSU/1422 dated 6<sup>th</sup> October 1998 issued by the Department of Atomic Energy laying down the policy for exploitation of beach sand minerals, private participation including Foreign Direct Investment (FDI), was permitted in mining and production of Titanium ores (Ilmenite, Rutile and Leucoxene) and Zirconium minerals (Zircon).</p> <p>Vide Notification No. S.O.61(E) dated 18.1.2006, the Department of Atomic</p>		



Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>Energy re-notified the list of 'prescribed substances' under the Atomic Energy Act 1962. Titanium bearing ores and concentrates (Ilmenite, Rutile and Leucoxene) and Zirconium, its alloys and compounds and minerals/concentrates including Zircon, were removed from the list of prescribed substances'.</p> <p>(i) FDI for separation of titanium bearing minerals &amp; ores will be subject to the following additional conditions viz.:</p> <p>(A) value addition facilities are set up within India along with transfer of technology;  (B) 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.</p> <p>(ii) FDI will not be allowed in mining of 'prescribed substances' listed in the Notification No. S.O. 61(E) dated 18.1.2006 issued by the Department of Atomic Energy.</p> <p>Clarification: (1) For titanium bearing ores such as Ilmenite, Leucoxene and Rutile, manufacture of titanium dioxide pigment and titanium sponge constitutes value addition. Ilmenite can be processed to produce 'Synthetic Rutile or Titanium Slag as an intermediate value added product.</p> <p>(2) The objective is to ensure that the raw material available in the country is utilized for setting up downstream industries and the technology available internationally is also made available for setting up such industries within the country. Thus, if with the technology transfer, the objective of the FDI Policy can be achieved, the conditions prescribed at (i) (A) above shall be deemed to be fulfilled.</p>		
<b>4</b>	<b>Petroleum &amp; Natural Gas</b>		
4.1	Exploration activities of oil and natural gas fields, infrastructure related to marketing of petroleum products and natural gas, marketing of natural gas and petroleum products, petroleum product pipelines, natural gas/ pipelines, LNG Regasification infrastructure, market study and formulation and Petroleum refining in the private sector, subject to the existing sectoral policy and regulatory framework in the oil marketing sector and the policy of the Government on private participation in exploration of oil and the discovered fields of national oil companies	100%	Automatic
4.2	Petroleum refining by the Public Sector Undertakings (PSU), without any disinvestment or dilution of domestic equity in the existing PSUs.	49%	Government
	<b><u>MANUFACTURING</u></b>		
<b>5</b>	<b>Manufacture of items reserved for production in Micro and Small Enterprises (MSEs)</b>		
5.1	FDI in MSEs [as defined under Micro, Small And Medium Enterprises Development Act, 2006 (MSMED, Act 2006)] will be subject to the sectoral caps, entry routes and other relevant sectoral regulations. Any industrial undertaking which is not a		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	Micro or Small Scale Enterprise, but manufactures items reserved for the MSE sector would require Government route where foreign investment is more than 24% in the capital. Such an undertaking would also require an Industrial License under the Industries (Development & Regulation) Act 1951, for such manufacture. The issue of Industrial License is subject to a few general conditions and the specific condition that the Industrial Undertaking shall undertake to export a minimum of 50% of the new or additional annual production of the MSE reserved items to be achieved within a maximum period of three years. The export obligation would be applicable from the date of commencement of commercial production and in accordance with the provisions of section 11 of the Industries (Development & Regulation) Act 1951.		
<b>6</b>	<b>DEFENCE</b>		
6.1	Defence Industry subject to Industrial license under the Industries (Development & Regulation) Act, 1951	26%	Government
6.2	<b>Other conditions:</b>		
	<p>(i) Licence applications will be considered and licences given by the Department of Industrial Policy &amp; Promotion, Ministry of Commerce &amp; Industry, in consultation with Ministry of Defence.</p> <p>(ii) The applicant should be an Indian company / partnership firm.</p> <p>(iii) The management of the applicant company / partnership should be in Indian hands with majority representation on the Board as well as the Chief Executives of the company / partnership firm being resident Indians.</p> <p>(iv) Full particulars of the Directors and the Chief Executives should be furnished along with the applications.</p> <p>(v) The Government reserves the right to verify the antecedents of the foreign collaborators and domestic promoters including their financial standing and credentials in the world market. Preference would be given to original equipment manufacturers or design establishments, and companies having a good track record of past supplies to Armed Forces, Space and Atomic energy sections and having an established R &amp; D base.</p> <p>(vi) There would be no minimum capitalization for the FDI. A proper assessment, however, needs to be done by the management of the applicant company depending upon the product and the technology. The licensing authority would satisfy itself about the adequacy of the net worth of the non-resident investor taking into account the category of weapons and equipment that are proposed to be manufactured.</p> <p>(vii) There would be a three-year lock-in period for transfer of equity from one non-resident investor to another non-resident investor (including NRIs &amp; erstwhile OCBs with 60% or more NRI stake) and such transfer would be subject to prior approval of the Government.</p> <p>(viii) The Ministry of Defence is not in a position to give purchase guarantee for products to be manufactured. However, the planned acquisition programme for such equipment and overall requirements would be made available to the extent possible.</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>(ix) The capacity norms for production will be provided in the licence based on the application as well as the recommendations of the Ministry of Defence, which will look into existing capacities of similar and allied products.</p> <p>(x) Import of equipment for pre-production activity including development of prototype by the applicant company would be permitted.</p> <p>(xi) Adequate safety and security procedures would need to be put in place by the licensee once the licence is granted and production commences. These would be subject to verification by authorized Government agencies.</p> <p>(xii) The standards and testing procedures for equipment to be produced under licence from foreign collaborators or from indigenous R &amp; D will have to be provided by the licensee to the Government nominated quality assurance agency under appropriate confidentiality clause. The nominated quality assurance agency would inspect the finished product and would conduct surveillance and audit of the Quality Assurance Procedures of the licensee. Self-certification would be permitted by the Ministry of Defence on case to case basis, which may involve either individual items, or group of items manufactured by the licensee. Such permission would be for a fixed period and subject to renewals.</p> <p>(xiii) Purchase preference and price preference may be given to the Public Sector organizations as per guidelines of the Department of Public Enterprises.</p> <p>(xiv) Arms and ammunition produced by the private manufacturers will be primarily sold to the Ministry of Defence. These items may also be sold to other Government entities under the control of the Ministry of Home Affairs and State Governments with the prior approval of the Ministry of Defence. No such item should be sold within the country to any other person or entity. The export of manufactured items would be subject to policy and guidelines as applicable to Ordnance Factories and Defence Public Sector Undertakings. Non-lethal items would be permitted for sale to persons / entities other than the Central of State Governments with the prior approval of the Ministry of Defence. Licensee would also need to institute a verifiable system of removal of all goods out of their factories. Violation of these provisions may lead to cancellation of the licence.</p> <p>(xv) Government decision on applications to FIPB for FDI in defence industry sector will be normally communicated within a time frame of 10 weeks from the date of acknowledgement.</p>		
<b>SERVICES SECTOR</b>			
<b>INFORMATION SERVICES</b>			
7 <sup>1</sup>	<b>Broadcasting</b>		
7.1	<b>Broadcasting Carriage Services</b>		
7.1.1	<p>(1) <b>Teleports</b> (setting up of up-linking HUBs/ Teleports);</p> <p>(2) <b>Direct to Home (DTH)</b>;</p> <p>(3) <b>Cable Networks</b> (Multi System operators (MSOs) operating at National or State or District</p>	74%	<p>Automatic up to 49%</p> <p>Government route</p>

<sup>1</sup> With effect from 20th day of September 2012

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	level and undertaking upgradation of networks towards digitalization and addressability); (4) <b>Mobile TV</b> ; (5) <b>Headend-in-the Sky Broadcasting Service (HITS)</b>		beyond 49% and up to 74%
7.1.2	<b>Cable Networks</b> (Other MSOs not undertaking upgradation of networks towards digitalization and addressability and Local Cable Operators (LCOs).	49%	Automatic
7.2	<b>Broadcasting Content Services</b>		
7.2.1	<b>Terrestrial Broadcasting FM (FM Radio)</b> , subject to such terms and conditions, as specified from time to time, by Ministry of Information & Broadcasting, for grant of permission for setting up of FM Radio stations.	26%	Government
7.2.2	<b>Up-linking of 'News &amp; Current Affairs' TV Channels</b>	26%	Government
7.2.3	<b>Up-linking a Non-'News &amp; Current Affairs' TV Channels / Down-linking of TV Channels</b>	100%	Government
7.3	FDI for Up-linking/Down-linking TV Channels will be subject to compliance with the relevant Up-linking/Down-linking Policy notified by the Ministry of Information & Broadcasting from time to time.		
7.4	Foreign investment (FI) in companies engaged in all the aforesaid services will be subject to relevant regulations and such terms and conditions, as may be specified from time to time, by the Ministry of Information and Broadcasting.		
7.5	The foreign investment (FI) limit in companies engaged in the aforesaid activities shall include, in addition to FDI, investment by Foreign Institutional Investors (FIIs), Non-Resident Indians (NRIs), Foreign Currency Convertible Bonds (FCCBs), American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and convertible preference shares held by foreign entities.		
7.6	<p>Foreign investment in the aforesaid broadcasting carriage services will be subject to the following security conditions/terms:</p> <p><b>Mandatory Requirement for Key Executives of the Company</b>            (i) The majority of Directors on the Board of the Company shall be Indian Citizens.            (ii) The Chief Executive Officer (CEO), Chief Officer In-charge of technical network operations and Chief Security Officer should be resident Indian Citizens.</p> <p><b>Security Clearance of Personnel</b>            (iii) The Company, all Directors on the Board of Directors and such key executives like Managing Director / Chief Executive Officer, Chief Financial Officer (CFO), Chief Security Officer (CSO), Chief Technical Officer (CTO), Chief Operating Officer (COO), shareholders who individually hold 10% or more paid-up capital in the company and any other category, as may be specified by the Ministry of Information and Broadcasting from time to time, shall require to be security cleared.</p> <p>In case of the appointment of Directors on the Board of the Company and such key executives like Managing Director / Chief Executive Officer, Chief Financial Officer (CFO), Chief Security Officer (CSO), Chief Technical Officer (CTO), Chief Operating Officer (COO), etc., as may be specified by the Ministry of Information and Broadcasting from time to time, prior permission of the Ministry of Information and</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>Broadcasting shall have to be obtained.</p> <p>It shall be obligatory on the part of the company to also take prior permission from the Ministry of Information and Broadcasting before effecting any change in the Board of Directors.</p> <p>(iv) The Company shall be required to obtain security clearance of all foreign personnel likely to be deployed for more that 60 days in a year by way of appointment, contract, and consultancy or in any other capacity for installation, maintenance, operation or any other services prior to their deployment. The security clearance shall be required to be obtained every two years.</p> <p><b>Permission <i>vis-a-vis</i> Security Clearance</b></p> <p>(v) The permission shall be subject to permission holder/licensee remaining security cleared throughout the currency of permission. In case the security clearance is withdrawn the permission granted is liable to be terminated forthwith.</p> <p>(vi) In the event of security clearance of any of the persons associated with the permission holder/licensee or foreign personnel is denied or withdrawn for any reasons whatsoever, the permission holder/licensee will ensure that the concerned person resigns or his services terminated forthwith after receiving such directives from the Government, failing which the permission/license granted shall be revoked and the company shall be disqualified to hold any such Permission/license in future for a period of five years.</p> <p><b>Infrastructure/Network/Software related requirement</b></p> <p>(vii) The officers/officials of the licensee companies dealing with the lawful interception of Services will be resident Indian citizens.</p> <p>(viii) Details of infrastructure/network diagram (technical details of the network) could be provided, on a need basis only, to equipment suppliers/manufactures and the affiliate of the licensee company. Clearance from the licensor would be required if such information is to be provided to anybody else.</p> <p>(ix) The Company shall not transfer the subscribers' databases to any person/place outside India unless permitted by relevant Law.</p> <p>(x) The Company must provide traceable identity of their subscribers.</p> <p><b>Monitoring, Inspection and Submission of Information</b></p> <p>(xi) The Company should ensure that necessary provision (hardware/software) is available in their equipment for doing the Lawful interception and monitoring from a centralized location as and when required by Government.</p> <p>(xii) The company, at its own costs, shall, on demand by the government or its authorized representative, provide the necessary equipment, services and facilities at designated place(s) for continuous monitoring or the broadcasting service by or under supervision of the Government or its authorized representative.</p> <p>(xiii) The Government of India, Ministry of Information &amp; Broadcasting or its authorized representative shall have the right to inspect the broadcasting facilities. No prior</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>permission/intimation shall be required to exercise the right of Government or its authorized representative to carry out the inspection. The company will, if required by the Government <b>or</b> its authorized representative, provide necessary facilities for continuous monitoring for any particular aspect of the company's activities and operations. Continuous monitoring, however, will be confined only to security related aspects, including screening of objectionable content.</p> <p>(xiv) The inspection will ordinarily be carried out by the government of India, Ministry of Information &amp; Broadcasting or its authorized representative after reasonable notice, except in circumstances where giving such a notice will defeat the very purpose of the inspection.</p> <p>(xv) The company shall submit such information with respect to its services as may be required by the Government or its authorized representative, in the format as may be required, from time to time.</p> <p>(xvi) The permission holder/licensee shall be liable to furnish the Government of India or its authorized representative or TRAI or its authorized representative, such reports, accounts, estimates, returns or such other relevant information and at such periodic intervals or such times as may be required.</p> <p>(xvii) The service providers should familiarize/train designated officials of the government or officials of TRAI or its authorized representative(s) in respect of relevant operations/features of their systems.</p> <p><b>National Security Conditions</b></p> <p>(xviii) It shall be open to the licensor to restrict the Licensee Company from operating in any sensitive area from the National Security angle. The Government of India, Ministry of Information and Broadcasting shall have the right to temporarily suspend the permission of the permission holder/Licensee in public interest or for national security for such period or periods as it may direct. The company shall immediately comply with any directives issued in this regard failing which the permission issued shall be revoked and the company disqualified to hold any such permission, in future, for a period of five years.</p> <p>(xix) The company shall not import or utilize any equipment, which are identified as unlawful and/or render network security vulnerable.</p> <p><b>Other conditions</b></p> <p>(xx) Licensor reserves the right to modify these conditions or incorporate new conditions considered necessary in the interest of national security and public interest or for proper provision of broadcasting services.</p> <p>(xxi) Licensee will ensure that broadcasting service installation carried out by it should not become a safety hazard and is not in contravention of any statute, rule or regulation and public policy.</p>		
<b>8</b>	<b>Print Media</b>		
8.1	Publishing of Newspaper and periodicals dealing with news and current affairs	26% (FDI and investment by	Government

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
		NRIs/PIOs/FII)	
8.2	Publication of Indian editions of foreign magazines dealing with news and current affairs	26% (FDI and investment NRIs/PIOs/FII)	Government
8.2.1	<b>Other Conditions:</b>		
	(i) 'Magazine', for the purpose of these guidelines, will be defined as a periodical publication, brought out on non-daily basis, containing public news or comments on public news.		
	(ii) Foreign investment would also be subject to the Guidelines for Publication of Indian editions of foreign magazines dealing with news and current affairs issued by the Ministry of Information & Broadcasting on 4.12.2008.		
8.3	Publishing / printing of Scientific and Technical Magazines / specialty journals / periodicals, <b>subject to</b> compliance with the legal framework as applicable and guidelines issued in this regard from time to time by Ministry of Information and Broadcasting.	100%	Government
8.4	Publication of facsimile edition of foreign newspapers	100%	Government
8.4.1	<b>Other Conditions:</b>		
	(i) FDI should be made by the owner of the original foreign newspapers whose facsimile edition is proposed to be brought out in India.		
	(ii) Publication of facsimile edition of foreign newspapers can be undertaken only by an entity incorporated or registered in India under the provisions of the Companies Act, 1956.		
	(iii) Publication of facsimile edition of foreign newspaper would also be subject to the Guidelines for publication of newspapers and periodicals dealing with news and current affairs and publication of facsimile edition of foreign newspapers issued by Ministry of Information & Broadcasting on 31.3.2006, as amended from time to time.		
<b>9</b>	<b>Civil Aviation</b>		
9.1	<p>The Civil Aviation sector includes Airports, Scheduled and Non-Scheduled domestic passenger airlines, Helicopter services / Seaplane services, Ground Handling Services, Maintenance and Repair organizations; Flying training institutes; and Technical training institutions.</p> <p>For the purposes of the Civil Aviation sector:</p> <p>(i) 'Airport' means a landing and taking off area for aircrafts, usually with runways and aircraft maintenance and passenger facilities and includes aerodrome as defined in clause (2) of section 2 of the Aircraft Act, 1934;</p> <p>(ii) "Aerodrome" means any definite or limited ground or water area intended to be used, either wholly or in part, for the landing or departure of aircraft, and includes all buildings, sheds, vessels, piers and other structures thereon or pertaining thereto;</p> <p>(iii)"Air transport service" means a service for the transport by air of persons, mails or any other thing, animate or inanimate, for any kind of remuneration whatsoever, whether such service consists of a single flight or series of flights;</p>		

Sl. No.	Sector / Activity	% Cap/Equity	of	Entry Route
	<p>(iv)"Air Transport Undertaking" means an undertaking whose business includes the carriage by air of passengers or cargo for hire or reward;</p> <p>(v) "Aircraft component" means any part, the soundness and correct functioning of which, when fitted to an aircraft, is essential to the continued airworthiness or safety of the aircraft and includes any item of equipment;</p> <p>(vi)"Helicopter" means a heavier-than -air aircraft supported in flight by the reactions of the air on one or more power driven rotors on substantially vertical axis;</p> <p>(vii) "Scheduled air transport service" means an air transport service undertaken between the same two or more places and operated according to a published time table or with flights so regular or frequent that they constitute a recognizably systematic series, each flight being open to use by members of the public;</p> <p>(viii) "Non-Scheduled Air Transport service" means any service which is not a scheduled air transport service and will include Cargo airlines; (ix)"Cargo airlines" would mean such airlines which meet the conditions as given in the Civil Aviation Requirements issued by the Ministry of Civil Aviation;</p> <p>(x) "Seaplane" means an aeroplane capable normally of taking off from and alighting solely on water;</p> <p>(xi) "Ground Handling" means (i) ramp handling , (ii) traffic handling both of which shall include the activities as specified by the Ministry of Civil Aviation through the Aeronautical Information Circulars from time to time, and (iii) any other activity specified by the Central Government to be a part of either ramp handling or traffic handling.</p>			
9.2	<b>Airports</b>			
	(a) Greenfield projects	100%		Automatic
	(b) Existing projects	100%		Automatic upto 74% Government route beyond 74%
9.3 <sup>2</sup>	<b>Air Transport Services</b>			
	(1) Scheduled Air Transport Service / Domestic Scheduled Passenger Airline	49% FDI (100% for NRIs)		Automatic
	(2) Non-Scheduled Air Transport Service	74% FDI (100% for NRIs)		Automatic upto 49% Government route beyond 49% and up to 74%
	(3) Helicopter services / seaplane services requiring	100%		Automatic

<sup>2</sup> With effect from 20th day of September 2012



Sl. No.	Sector / Activity	% Cap/Equity	of	Entry Route
	DGCA approval			
9.3.1	<b>Other Conditions</b>			
	<p>(a) Air Transport Services would include Domestic Scheduled Passenger Airlines; Non-Scheduled Air Transport Services, helicopter and seaplane services.</p> <p>(b) Foreign airlines are allowed to participate in the equity of companies operating Cargo airlines, helicopter and seaplane services, as per the limits and entry routes mentioned above.</p> <p>(c) Foreign airlines are also, henceforth, allowed to invest, in the capital of Indian companies, operating scheduled and non-scheduled air transport services, up to the limit of 49% of their paid-up capital. Such investment would be subject to the following conditions:</p> <p>(i) It would be made under the Government approval route.</p> <p>(ii) The 49% limit will subsume FDI and FII investment.</p> <p>(iii) The investments so made would need to comply with the relevant regulations of SEBI, such as the Issue of Capital and Disclosure Requirements (ICDR) Regulations/ Substantial Acquisition of Shares and Takeovers (SAST) Regulations, as well as other applicable rules and regulations.</p> <p>(iv) A Scheduled Operator's Permit can be granted only to a company:</p> <p><i>a) that is registered and has its principal place of business within India;</i>  <i>b) the Chairman and at least two-thirds of the Directors of which are citizens of India; and</i>  <i>c) the substantial ownership and effective control of which is vested in Indian nationals.</i></p> <p>(v) All foreign nationals likely to be associated with Indian scheduled and non-scheduled air transport services, as a result of such investment shall be cleared from security view point before deployment; and</p> <p>(vi) All technical equipment that might be imported into India as a result of such investment shall require clearance from the relevant authority in the Ministry of Civil Aviation.</p> <p>Note: The FDI limits/entry routes, mentioned at paragraph 9.3(1) and 9.3(2) above, are applicable in the situation where there is no investment by foreign airlines.</p> <p>(d) The policy mentioned at (c) above is not applicable to M/s Air India Limited.</p>			
9.4	<b>Other services under Civil Aviation sector</b>			
	(1) Ground Handling Services <b>subject to</b> sectoral regulations and security clearance	74% (100% NRIs)	FDI for	Automatic upto 49%  Government route beyond

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
			49% and up to 74%
	(2) Maintenance and Repair organizations; flying training institutes; and technical training institutions	100%	Automatic
<b>10</b>	<b>Courier services for carrying packages, parcels and other items which do not come within the ambit of the Indian Post Office Act, 1898 and excluding the activity relating to the distribution of letters.</b>	100%	Government
<b>11</b>	<b>Construction Development: Townships, Housing, Built-up infrastructure</b>		
11.1	Townships, housing, built-up infrastructure and construction-development projects (which would include, but not be restricted to, housing, commercial premises, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure)	100%	Automatic
11.2	<p>Investment will be subject to the following conditions:</p> <p>(1) Minimum area to be developed under each project would be as under:</p> <p>(i) In case of development of serviced housing plots, a minimum land area of 10 hectares</p> <p>(ii) In case of construction-development projects, a minimum built-up area of 50,000 sq.mts</p> <p>(iii) In case of a combination project, any one of the above two conditions would suffice</p> <p>(2) Minimum capitalization of US\$10 million for wholly owned subsidiaries and US\$ 5 million for joint ventures with Indian partners. The funds would have to be brought in within six months of commencement of business of the Company.</p> <p>(3) Original investment cannot be repatriated before a period of three years from completion of minimum capitalization. Original investment means the entire amount brought in as FDI. The lock-in period of three years will be applied from the date of receipt of each installment/tranche of FDI or from the date of completion of minimum capitalization, whichever is later. However, the investor may be permitted to exit earlier with prior approval of the Government through the FIPB.</p> <p>(4) At least 50% of each such project must be developed within a period of five years from the date of obtaining all statutory clearances. The investor/investee company would not be permitted to sell undeveloped plots. For the purpose of these guidelines, 'undeveloped plots' will mean where roads, water supply, street lighting, drainage, sewerage, and other conveniences, as applicable under prescribed regulations, have not been made available. It will be necessary that the investor provides this infrastructure and obtains the completion certificate from the concerned local body/service agency before he would be allowed to dispose of serviced housing plots.</p> <p>(5) The project shall conform to the norms and standards, including land use</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>requirements and provision of community amenities and common facilities, as laid down in the applicable building control regulations, bye-laws, rules, and other regulations of the State Government/Municipal/Local Body concerned.</p> <p>(6) The investor/investee company shall be responsible for obtaining all necessary approvals, including those of the building/layout plans, developing internal and peripheral areas and other infrastructure facilities, payment of development, external development and other charges and complying with all other requirements as prescribed under applicable rules/bye-laws/regulations of the State Government/Municipal/Local Body concerned.</p> <p>(7) The State Government/ Municipal/ Local Body concerned, which approves the building / development plans, would monitor compliance of the above conditions by the developer.</p> <p>Note:</p> <p>(i) The conditions at (1) to (4) above would not apply to Hotels &amp; Tourism, Hospitals, Special Economic Zones (SEZs), Education Sector, Old age Homes and investment by NRIs.</p> <p>(ii) FDI is not allowed in Real Estate Business.</p>		
<b>12</b>	<b>Industrial Parks – new and existing</b>	<b>100%</b>	<b>Automatic</b>
12.1	<p>(i) “Industrial Park” is a project in which quality infrastructure in the form of plots of developed land or built up space or a combination with common facilities, is developed and made available to all the allottee units for the purposes of industrial activity.</p> <p>(ii) “Infrastructure” refers to facilities required for functioning of units located in the Industrial Park and includes roads (including approach roads), water supply and sewerage, common effluent treatment facility, telecom network, generation and distribution of power, air conditioning.</p> <p>(iii) “Common Facilities” refer to the facilities available for all the units located in the industrial park, and include facilities of power, roads (including approach roads), water supply and sewerage, common effluent treatment, common testing, telecom services, air conditioning, common facility buildings, industrial canteens, convention/conference halls, parking, travel desks, security service, first aid center, ambulance and other safety services, training facilities and such other facilities meant for common use of the units located in the Industrial Park.</p> <p>(iv) <u>“Allocable area” in the Industrial Park means-</u></p> <p>(a) in the case of plots of developed land- the net site area available for allocation to the units, excluding the area for common facilities.</p> <p>(b) in the case of built up space- the floor area and built up space utilized for providing common facilities.</p> <p>(c) in the case of a combination of developed land and built-up space- the net site and floor area available for allocation to the units excluding the site area and built up space utilized for providing common facilities.</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	(v) "Industrial Activity" means manufacturing; electricity; gas and water supply; post and telecommunications; software publishing, consultancy and supply; data processing, database activities and distribution of electronic content; other computer related activities; basic and applied R&D on bio-technology, pharmaceutical sciences/life sciences, natural sciences and engineering; business and management consultancy activities; and architectural, engineering and other technical activities.		
12.2	FDI in Industrial Parks would not be subject to the conditionalities applicable for construction development projects etc. spelt out in para 11 above, provided the Industrial Parks meet with the under-mentioned conditions:  (i) it would comprise of a minimum of 10 units and no single unit shall occupy more than 50% of the allocable area;  (ii) the minimum percentage of the area to be allocated for industrial activity shall not be less than 66% of the total allocable area.		
<b>13</b>	<b>Satellites – Establishment and operation</b>		
13.1	Satellites – Establishment and operation, subject to the sectoral guidelines of Department of Space / ISRO	74%	Government
<b>14</b>	<b>Private Security Agencies</b>	49 %	Government
<b>15</b>	<b>Telecom Services</b>		
	Investment caps and other conditions for specified services are given below. However, licensing and security requirements notified by the Department of Telecommunications will need to be complied with for all services.		
15.1	<b>(i) Telecom services</b>	74%	Automatic upto 49%  Government route beyond 49% and upto 74%
15.1.1	<b>Other conditions:</b>		
	(1) <u>General Conditions:</u>  (i) This is applicable in case of Basic, 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 Services.  (ii) Both direct and indirect foreign investment in the licensee company shall be counted for the purpose of FDI ceiling. Foreign Investment shall include investment by Foreign Institutional Investors (FIIs), Non-resident Indians (NRIs), Foreign Currency Convertible Bonds (FCCBs), American Depository Receipts (ADRs), Global Depository Receipts (GDRs) and convertible preference shares held by foreign entity. In any case, the 'Indian' shareholding will not be less than 26 Percent.  (iii) FDI in the licensee company/Indian promoters/investment companies including		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>their holding companies shall require approval of the Foreign Investment Promotion Board (FIPB) if it has a bearing on the overall ceiling of 74 percent. While approving the investment proposals, FIPB shall take note that investment is not coming from countries of concern and/or unfriendly entities.</p> <p>(iv) The investment approval by FIPB shall envisage the conditionality that Company would adhere to licence Agreement.</p> <p>(v) FDI shall be subject to laws of India and not the laws of the foreign country/countries.</p> <p>(2) <u>Security Conditions:</u></p> <p>(i) The Chief Officer In-charge of technical network operations and the Chief Security Officer should be a resident Indian citizen.</p> <p>(ii) Details of infrastructure/network diagram (technical details of the network) could be provided on a need basis only to telecom equipment suppliers/manufacturers and the affiliate / parents of the licensee company. Clearance from the licensor (Department of Telecommunications) would be required if such information is to be provided to anybody else.</p> <p>(iii) For security reasons, domestic traffic of such entities as may be identified / specified by the licensor shall not be hauled/routed to any place outside India.</p> <p>(iv) The licensee company shall take adequate and timely measures to ensure that the information transacted through a network by the subscribers is secure and protected.</p> <p>(v) The officers/officials of the licensee companies dealing with the lawful interception of messages will be resident Indian citizens.</p> <p>(vi) The majority Directors on the Board of the company shall be Indian citizens.</p> <p>(vii) The positions of the Chairman, Managing Director, Chief Executive Officer (CEO) and/or Chief Financial Officer (CFO), if held by foreign nationals, would require security clearance by Ministry of Home Affairs (MHA). Security clearance shall be required on yearly basis. In case something adverse is found during the security clearance, the direction of MHA shall be binding on the licensee.</p> <p>(viii) The Company shall not transfer the following to any person/place outside India:-</p> <p style="padding-left: 40px;">(a) Any accounting information relating to subscriber (except for international roaming/billing) (Note: it does not restrict a statutorily required disclosure of financial nature) ; and</p> <p style="padding-left: 40px;">(b) User information (except pertaining to foreign subscribers using Indian Operator's network while roaming).</p> <p>(ix) The Company must provide traceable identity of their subscribers.</p> <p>However, in case of providing service to roaming subscriber of foreign Companies, the</p>		

Sl. No.	Sector / Activity	% Cap/Equity	of Entry Route
	<p>Indian Company shall endeavour to obtain traceable identity of roaming subscribers from the foreign company as a part of its roaming agreement.</p> <p>(x) On request of the licensor or any other agency authorised by the licensor, the telecom service provider should be able to provide the geographical location of any subscriber (BTS location) at a given point of time.</p> <p>(xi) The Remote Access (RA) to Network would be provided only to approved location(s) abroad through approved location(s) in India. The approval for location(s) would be given by the Licensor (DOT) in consultation with the Ministry of Home Affairs.</p> <p>(xii) Under no circumstances, should any RA to the suppliers / manufacturers and affiliate(s) be enabled to access Lawful Interception System(LIS), Lawful Interception Monitoring(LIM), Call contents of the traffic and any such sensitive sector/data, which the licensor may notify from time to time.</p> <p>(xiii) The licensee company is not allowed to use remote access facility for monitoring of content.</p> <p>(xiv) Suitable technical device should be made available at Indian end to the designated security agency /licensor in which a mirror image of the remote access information is available on line for monitoring purposes.</p> <p>(xv) Complete audit trail of the remote access activities pertaining to the network operated in India should be maintained for a period of six months and provided on request to the licensor or any other agency authorised by the licensor.</p> <p>(xvi) The telecom service providers should ensure that necessary provision (hardware/software) is available in their equipment for doing the Lawful interception and monitoring from a centralized location.</p> <p>(xvii)The telecom service providers should familiarize / train Vigilance Technical Monitoring (VTM)/security agency officers / officials in respect of relevant operations / features of their systems.</p> <p>(xviii) It shall be open to the licensor to restrict the Licensee Company from operating in any sensitive area from the National Security angle.</p> <p>(xix) In order to maintain the privacy of voice and data, monitoring shall only be upon authorisation by the Union Home Secretary or Home Secretaries of the States/Union Territories.</p> <p>(xx) For monitoring traffic, the licensee company shall provide access of their network and other facilities as well as to books of accounts to the security agencies.</p> <p>(xxi) The aforesaid Security Conditions shall be applicable to all the licensee companies operating telecom services covered under this circular irrespective of the level of FDI.</p> <p>(xxii) Other Service Providers (OSPs), providing services like Call Centres, Business Process Outsourcing (BPO), tele-marketing, tele-education, etc, and are registered with DoT as OSP. Such OSPs operate the service using the telecom</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>infrastructure provided by licensed telecom service providers and 100% FDI is permitted for OSPs. As the security conditions are applicable to all licensed telecom service providers, the security conditions mentioned above shall not be separately enforced on OSPs.</p> <p>(3) The above General Conditions and Security Conditions shall also be applicable to the companies operating telecom service(s) with the FDI cap of 49%.</p> <p>(4) All the telecom service providers shall submit a compliance report on the aforesaid conditions to the licensor on 1st day of July and January every year.</p>		
15.2	<p>(a) ISP with gateways</p> <p>(b) ISP's not providing gateways i.e. without gateways (both for satellite and marine cables)</p> <p>Note: The new guidelines of August 24, 2007 Department of Telecommunications provide for new ISP licenses with FDI up to 74%.</p> <p>(c) Radio paging</p> <p>(d) End-to-End bandwidth</p>	74%	<p>Automatic upto 49%</p> <p>Government route beyond 49% and upto 74%</p>
15.3	<p>(a) Infrastructure provider providing dark fibre, right of way, duct space, tower (IP Category I); (b) Electronic Mail; (c) Voice Mail</p> <p><b>Note:</b> Investment in all the above activities is subject to the conditions that such companies will divest 26% of their equity in favour of Indian public in 5 years, if these companies are listed in other parts of the world.</p>	100%	<p>Automatic upto 49%</p> <p>Government route beyond 49%</p>
<b>16</b>	<b>TRADING</b>		
<b>16.1</b>	<b>(i) Cash &amp; Carry Wholesale Trading / Wholesale Trading (including sourcing from MSEs)</b>	100%	Automatic
16.1.1	<p>Definition: Cash &amp; Carry Wholesale trading/Wholesale trading, would mean sale of goods/merchandise to retailers, industrial, commercial, institutional or other professional business users or to other wholesalers and related subordinated service providers. Wholesale trading would, accordingly, be sales for the purpose of trade, business and profession, as opposed to sales for the purpose of personal consumption. The yardstick to determine whether the sale is wholesale or not would be the type of customers to whom the sale is made and not the size and volume of sales. Wholesale trading would include resale, processing and thereafter sale, bulk imports with ex-port/ex-bonded warehouse business sales and B2B e-Commerce.</p>		
16.1.2	<p>Guidelines for Cash &amp; Carry Wholesale Trading/Wholesale Trading (WT):</p> <p>(a) For undertaking WT, requisite licenses / registration / permits, as specified under the relevant Acts/Regulations / Rules / Orders of the State Government / Government Body / Government Authority/Local Self-Government Body under that</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>State Government should be obtained.</p> <p>(b) Except in case of sales to Government, sales made by the wholesaler would be considered as 'cash &amp; carry wholesale trading/wholesale trading' with valid business customers, only when WT are made to the following entities:</p> <p>(I) Entities holding sales tax / VAT registration /service tax /excise duty registration; or</p> <p>(II) Entities holding trade licenses i.e. a license/registration certificate/membership certificate/registration under Shops and Establishment Act, issued by a Government Authority/ Government Body/ Local Self-Government Authority, reflecting that the entity/person holding the license/ registration certificate/ membership certificate, as the case may be, is itself/ himself/herself engaged in a business involving commercial activity; or</p> <p>(III) Entities holding permits/license etc. for undertaking retail trade (like tehbazari and similar license for hawkers) from Government Authorities / Local Self Government Bodies; or</p> <p>(IV) Institutions having certificate of incorporation or registration as a society or registration as public trust for their self consumption.</p> <p><b>Note: An Entity, to whom WT is made, may fulfill any one of the 4 conditions.</b></p> <p>(c) Full records indicating all the details of such sales like name of entity, kind of entity, registration/license/permit etc. number, amount of sale etc. should be maintained on a day to day basis.</p> <p>(d) WT of goods would be permitted among companies of the same group. However, such WT to group companies taken together should not exceed 25% of the total turnover of the wholesale venture</p> <p>(e) WT can be undertaken as per normal business practice, including extending credit facilities subject to applicable regulations.</p> <p>(f) A Wholesale / Cash &amp; carry trader cannot open retail shops to sell to the consumer directly.</p>		
<b>16.2</b>	<b>E-commerce activities</b>	100%	Automatic
	E-commerce activities refer to the activity of buying and selling by a company through the e-commerce platform. Such companies would engage only in Business to Business (B2B) e-commerce and not in retail trading, inter-alia implying that existing restrictions on FDI in domestic trading would be applicable to e-commerce as well.		
<b>16.3</b>	<b>Test marketing</b> of such items for which a company has approval for manufacture, provided such test marketing facility will be for a period of two years, and investment in setting up manufacturing facility commences simultaneously	100%	Government



Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	with test marketing.		
<b>16.4<sup>3</sup></b>	<b>Single Brand product retail trading</b>	100%	Government
	<p>(1) Foreign Investment in Single Brand product retail trading is aimed at attracting investments in production and marketing, improving the availability of such goods for the consumer, encouraging increased sourcing of goods from India, and enhancing competitiveness of Indian enterprises through access to global designs, technologies and management practices.</p> <p>(2) FDI in Single Brand product retail trading would be subject to the following conditions:</p> <p>(a) Products to be sold should be of a 'Single Brand' only.</p> <p>(b) Products should be sold under the same brand internationally i.e. products should be sold under the same brand in one or more countries other than India.</p> <p>(c) 'Single Brand' product-retail trading would cover only products which are branded during manufacturing.</p> <p>(d) Only one non-resident entity, whether owner of the brand or otherwise, shall be permitted to undertake single brand product retail trading in the country, for the specific brand, through a legally tenable agreement, with the brand owner for undertaking single brand product retail trading in respect of specific brand for which approval is being sought. The onus for ensuring compliance with this condition shall rest with the Indian entity carrying out single-brand product retail trading in India. The investing entity shall provide evidence to this effect at the time of seeking approval, including a copy of the licensing/franchise/sub-licence agreement, specifically indicating compliance with the above condition.</p> <p>(e) In respect of proposals involving FDI beyond 51%, sourcing of 30% of the value of goods purchased, will be done from India, preferably from MSMEs, village and cottage industries, artisans and craftsmen in all sectors. The quantum of domestic sourcing will be self-certified by the company, to be subsequently checked, by statutory auditors from the duly certified accounts which the company will be required to maintain. This procurement requirement would have to be met, in the first instance, as an average of five years; total value of the goods purchased, beginning 1st April of the year during which the first tranche of FDI is received, Thereafter, it would have to be met on an annual basis. For the purpose of ascertaining the sourcing requirement, the relevant entity would be the company, incorporated in India, which is the recipient of FDI for the purpose of carrying out single-brand product retail trading.</p> <p>(f) Retail trading, in any form, by means of e-commerce, would not be permissible for companies with FDI, engaged in the activity of single brand retail trading.</p> <p>(3) Applications seeking permission of the Government for FDI in retail trade of 'Single Brand' products would be made to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy &amp; Promotion. The application would specifically indicate the product/ product categories which are proposed to be sold under a 'Single Brand'.</p>		

<sup>3</sup> With effect from 20th day of September 2012

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>Any addition to the product/ product categories to be sold under 'Single Brand' would require a fresh approval of the Government.</p> <p>(4) Applications would be processed in the Department of Industrial Policy &amp; Promotion, to determine whether the proposed investments satisfies the notified guidelines, before being considered by the FIPB for Government approval.</p>		
16.5 <sup>4</sup>	<b>Multi Brand Retail Trading</b>	51%	Government
	<p>FDI in multi brand retail trading, in all products, will be permitted, subject to the following conditions:</p> <p>(i) Fresh agricultural produce, including fruits, vegetables, flowers, grains, pulses, fresh poultry, fishery and meat products, may be unbranded.</p> <p>(ii) Minimum amount to be brought in, as FDI, by the foreign investor, would be US \$ 100 million.</p> <p>(iii) At least 50% of total FDI brought in shall be invested in 'backend infrastructure' within three years of the first tranche of FDI, where 'back-end infrastructure' will include capital expenditure on all activities, excluding that on front-end units; for instance, back-end infrastructure will include investment made towards processing, manufacturing, distribution, design improvement, quality control, packaging, logistics, storage, warehouse, agriculture market produce infrastructure etc. Expenditure on land cost and rentals, if any, will not be counted for purposes of back end infrastructure.</p> <p>(iv) At least 30% of the value of procurement of manufactured/ processed products purchased shall be sourced from Indian 'small industries' which have a total investment in plant &amp; machinery not exceeding US \$1.00 million. This valuation refers to the value at the time of installation, without providing for depreciation. Further, if at any point in time, this valuation is exceeded, the industry shall not qualify as a 'small industry' for this purpose. This procurement requirement would have to be met, in the first instance, as an average of five years' total value of the manufactured/processed products purchased, beginning 1st April of the year during which the first tranche of FDI is received. Thereafter, it would have to be met on an annual basis.</p> <p>(v) Self-certification by the company, to ensure compliance of the conditions at serial nos. (ii), (iii) and (iv) above, which could be cross-checked, as and when required. Accordingly, the investors shall maintain accounts, duly certified by statutory auditors.</p> <p>(vi) Retail sales outlets may be set up only in cities with a population of more than 10 lakh as per 2011 Census and may also cover an area of 10 kms. around the municipal/urban agglomeration limits of such cities; retail locations will be restricted to conforming areas as per the Master/Zonal Plans of the concerned cities and provision will be made for requisite facilities such as transport connectivity and parking; In States / Union Territories not having cities with population of more than 10 lakh as per 2011 Census, retail sales outlets may be set up in the cities of their choice, preferably the largest city and may also cover an area of 10 kms around the municipal/urban agglomeration limits of such cities. The locations of such outlets will be restricted to conforming areas, as per the Master/ Zonal Plans of the concerned cities and provision will be made for requisite facilities such as transport connectivity and parking.</p>		

<sup>4</sup> With effect from 20th day of September 2012

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>(vii) Government will have the first right to procurement of agricultural products.</p> <p>(viii) The above policy is an enabling policy only and the State Governments/ Union Territories would be free to take their own decisions in regard to implementation of the policy. Therefore, retail sales outlets may be set up in those States/Union Territories which have agreed, or agree in future, to allow FDI in MBRT under this policy. The States / Union Territories which have conveyed their concurrence are as under :</p> <ol style="list-style-type: none"> <li>1. Andhra Pradesh</li> <li>2. Assam</li> <li>3. Delhi</li> <li>4. Haryana</li> <li>5. Jammu &amp; Kashmir</li> <li>6. Maharashtra</li> <li>7. Manipur</li> <li>8. Rajasthan</li> <li>9. Uttarkhand</li> <li>10. Daman &amp; Diu and Dadra and Nagar Haveli (Union Territories)</li> </ol> <p>The States/Union Territories, which are willing to permit establishment of retail outlets under this policy, would convey their concurrence to the Government of India through the Department of Industrial Policy &amp; Promotion and additions would be made accordingly. The establishment of the retail sales outlets will be in compliance of applicable State / Union Territory laws/ regulations, such as the Shops and Establishments Act etc.</p> <p>(ix) Retail trading, in any form, by means of e-commerce, would not be permissible, for companies with FDI, engaged in the activity of multi brand retail trading.</p> <p>(x) Applications would be processed in the Department of Industrial Policy &amp; Promotion, to determine whether the proposed investment satisfies the notified guidelines, before being considered by the FIPB for Government approval.</p>		
	<p><b>FINANCIAL SERVICES</b></p> <p>Foreign investment in other financial services , other than those indicated below, would require prior approval of the Government:</p>		
17	<p><b>Asset Reconstruction Companies</b></p>		
17.1	<p>'Asset Reconstruction Company' (ARC) means a company registered with the Reserve Bank of India under Section 3 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act).</p>	<p>49% of paid-up capital of ARC</p>	<p>Government</p>
17.2	<p><b>Other conditions:</b></p> <p>(i) Persons resident outside India, other than Foreign Institutional Investors (FIIs), can invest in the capital of Asset Reconstruction Companies (ARCs) registered with Reserve Bank only under the Government Route. Such investments have to be strictly in the nature of FDI. Investments by FIIs are not permitted in the equity capital of ARCs.</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>(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.</p> <p>(iii) Any individual investment of more than 10% would be subject to provisions of section 3(3) (f) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.</p>		
<b>18</b>	<b>Banking –Private sector</b>		
18.1	Banking –Private sector	74% including investment by FIIs	Automatic upto 49%  Government route beyond 49% and upto 74%
18.2	<b>Other conditions:</b>		
	<p>(1) This 74% limit will include investment under the Portfolio Investment Scheme (PIS) by FIIs, NRIs and shares acquired prior to September 16, 2003 by erstwhile OCBs, and continue to include IPOs, Private placements, GDR/ADRs and acquisition of shares from existing shareholders.</p> <p>(2) The aggregate foreign investment in a private bank from all sources will be allowed up to a maximum of 74 per cent of the paid up capital of the Bank. At all times, at least 26 per cent of the paid up capital will have to be held by residents, except in regard to a wholly-owned subsidiary of a foreign bank.</p> <p>(3) The stipulations as above will be applicable to all investments in existing private sector banks also.</p> <p>(4) The permissible limits under portfolio investment schemes through stock exchanges for FIIs and NRIs will be as follows:</p> <p>(i) In the case of FIIs, as hitherto, individual FII holding is restricted to 10 per cent of the total paid-up capital, aggregate limit for all FIIs cannot exceed 24 per cent of the total paid-up capital, which can be raised to 49 per cent of the total paid-up capital by the bank concerned through a resolution by its Board of Directors followed by a special resolution to that effect by its General Body.</p> <p>(a) Thus, the FII investment limit will continue to be within 49 per cent of the total paid-up capital.</p> <p>(b) In the case of NRIs, as hitherto, individual holding is restricted to 5 per cent of the total paid-up capital both on repatriation and non- repatriation basis and aggregate limit cannot exceed 10 per cent of the total paid-up capital both on repatriation and non-repatriation basis. However, NRI holding can be allowed up to 24 per cent of the total paid-up capital both on repatriation and non-repatriation basis provided the banking company passes a special resolution to that effect in the General Body.</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>(c) Applications for foreign direct investment in private banks having joint venture/subsidiary in insurance sector may be addressed to the Reserve Bank of India (RBI) for consideration in consultation with the Insurance Regulatory and Development Authority (IRDA) in order to ensure that the 26 per cent limit of foreign shareholding applicable for the insurance sector is not being breached.</p> <p>(d) Transfer of shares under FDI from residents to non-residents will continue to require approval of RBI and Government as per para 3.6.2 of DIPP's Circular 1 of 2012 as applicable.</p> <p>(e) The policies and procedures prescribed from time to time by RBI and other institutions such as SEBI, D/o Company Affairs and IRDA on these matters will continue to apply.</p> <p>(f) RBI guidelines relating to acquisition by purchase or otherwise of shares of a private bank, if such acquisition results in any person owning or controlling 5 per cent or more of the paid up capital of the private bank will apply to non-resident investors as well.</p> <p>(ii) Setting up of a subsidiary by foreign banks</p> <p>(a) Foreign banks will be permitted to either have branches or subsidiaries but not both.</p> <p>(b) Foreign banks regulated by banking supervisory authority in the home country and meeting Reserve Bank's licensing criteria will be allowed to hold 100 per cent paid up capital to enable them to set up a wholly-owned subsidiary in India.</p> <p>(c) A foreign bank may operate in India through only one of the three channels viz., (i) branches (ii) a wholly-owned subsidiary and (iii) a subsidiary with aggregate foreign investment up to a maximum of 74 per cent in a private bank.</p> <p>(d) A foreign bank will be permitted to establish a wholly-owned subsidiary either through conversion of existing branches into a subsidiary or through a fresh banking license. A foreign bank will be permitted to establish a subsidiary through acquisition of shares of an existing private sector bank provided at least 26 per cent of the paid capital of the private sector bank is held by residents at all times consistent with para (i) (b) above.</p> <p>(e) A subsidiary of a foreign bank will be subject to the licensing requirements and conditions broadly consistent with those for new private sector banks.</p> <p>(f) Guidelines for setting up a wholly-owned subsidiary of a foreign bank will be issued separately by RBI</p> <p>(g) All applications by a foreign bank for setting up a subsidiary or for conversion of their existing branches to subsidiary in India will have to be made to the RBI.</p> <p>(iii) At present there is a limit of ten per cent on voting rights in respect of banking companies, and this should be noted by potential investor. Any change in the ceiling</p>		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	can be brought about only after final policy decisions and appropriate Parliamentary approvals.		
<b>19</b>	<b>Banking- Public Sector</b>		
19.1	Banking- Public Sector subject to Banking Companies (Acquisition & Transfer of Undertakings) Acts 1970/80. This ceiling (20%) is also applicable to the State Bank of India and its associate Banks.	20% (FDI and Portfolio Investment)	Government
<b>20</b>	<b>Commodity Exchanges</b>		
20.1	<p>1. Futures trading in commodities are regulated under the Forward Contracts (Regulation) Act, 1952. Commodity Exchanges, like Stock Exchanges, are infrastructure companies in the commodity futures market. With a view to infuse globally acceptable best practices, modern management skills and latest technology, it was decided to allow foreign investment in Commodity Exchanges.</p> <p>2. For the purposes of this chapter,</p> <p>(i) “Commodity Exchange” is a recognized association under the provisions of the Forward Contracts (Regulation) Act, 1952, as amended from time to time, to provide exchange platform for trading in forward contracts in commodities.</p> <p>(ii) “recognized association” means an association to which recognition for the time being has been granted by the Central Government under Section 6 of the Forward Contracts (Regulation) Act, 1952</p> <p>(iii) “Association” means any body of individuals, whether incorporated or not, constituted for the purposes of regulating and controlling the business of the sale or purchase of any goods and commodity derivative.</p> <p>(iv) “Forward contract” means a contract for the delivery of goods and which is not a ready delivery contract.</p> <p>(v) “Commodity derivative” means-</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> a contract for delivery of goods, which is not a ready delivery contract; or</li> <li><input type="checkbox"/> a contract for differences which derives its value from prices or indices of prices of such underlying goods or activities, services, rights, interests and events, as may be notified in consultation with the Forward Markets Commission by the Central Government, but does not include securities.</li> </ul>		
20.2	<b>Policy for FDI in Commodity Exchange</b>	49% (FDI & FII) [Investment by Registered FII under Portfolio Investment Scheme (PIS) will be limited to 23% and Investment under FDI Scheme limited to 26% ]	Government (For FDI)

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
20.3	<b>Other conditions:</b>		
	(i) FII purchases shall be restricted to secondary market only and  (ii) No non-resident investor / entity, including persons acting in concert, will hold more than 5% of the equity in these companies.		
<b>21</b>	<b>Credit Information Companies (CIC)</b>		
21.1	Credit Information Companies	49% (FDI & FII)	Government
21.2	<b>Other Conditions:</b>		
	(1) Foreign investment in Credit Information Companies is subject to the Credit Information Companies (Regulation) Act, 2005.  (2) Foreign investment is permitted under the Government route, subject to regulatory clearance from RBI.  (3) Investment by a registered FII under the Portfolio Investment Scheme would be permitted up to 24% only in the CICs listed at the Stock Exchanges, within the overall limit of 49% for foreign investment.  (4) Such FII investment would be permitted subject to the conditions that:  (a) No single entity should directly or indirectly hold more than 10% equity.  (b) Any acquisition in excess of 1% will have to be reported to RBI as a mandatory requirement; and  (c) FIIs investing in CICs shall not seek a representation on the Board of Directors based upon their shareholding.		
<b>22</b>	<b>Infrastructure Company in the Securities Market</b>		
22.1	Infrastructure companies in Securities Markets, namely, stock exchanges, depositories and clearing corporations, in compliance with SEBI Regulations	49% (FDI & FII) [FDI limit of 26 per cent and an FII limit of 23 per cent of the paid-up capital]	Government (For FDI)
22.2	<b>Other Conditions:</b>		
22.2.1	FII can invest only through purchases in the secondary market		
<b>23</b>	<b>Insurance</b>		
23.1	Insurance	26%	Automatic
23.2	<b>Other Conditions:</b>		
	(1) FDI in the Insurance sector, as prescribed in the Insurance Act, 1938, is allowed under the automatic route.  (2) This will be subject to the condition that Companies bringing in FDI shall obtain necessary license from the Insurance Regulatory & Development Authority for undertaking insurance activities.		

Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
<b>24</b>	<b>Non-Banking Finance Companies (NBFC)</b>		
24.1	<p>Foreign investment in NBFC is allowed under the automatic route in only the following activities:</p> <ul style="list-style-type: none"> <li>(i) Merchant Banking</li> <li>(ii) Under Writing</li> <li>(iii) Portfolio Management Services</li> <li>(iv) Investment Advisory Services</li> <li>(v) Financial Consultancy</li> <li>(vi) Stock Broking</li> <li>(vii) Asset Management</li> <li>(viii) Venture Capital</li> <li>(ix) Custodian Services</li> <li>(x) Factoring</li> <li>(xi) Credit Rating Agencies</li> <li>(xii) Leasing &amp; Finance</li> <li>(xiii) Housing Finance</li> <li>(xiv) Forex Broking</li> <li>(xv) Credit Card Business</li> <li>(xvi) Money Changing Business</li> <li>(xvii) Micro Credit</li> <li>(xviii) Rural Credit</li> </ul>	100%	Automatic
24.2	<b>Other Conditions:</b>		
	<p>(1) Investment would be subject to the following minimum capitalisation norms:</p> <ul style="list-style-type: none"> <li>(i) US \$0.5 million for foreign capital up to 51% to be brought upfront</li> <li>(ii) US \$ 5 million for foreign capital more than 51% and up to 75% to be brought upfront</li> <li>(iii) US \$ 50 million for foreign capital more than 75% out of which US\$ 7.5 million to be brought upfront and the balance in 24 months.</li> <li>(iv)<sup>5</sup> NBFCs (i) having foreign investment more than 75% and up to 100%, and (ii) with a minimum capitalisation of US\$ 50 million, can set up step down subsidiaries for specific NBFC activities, without any restriction on the number of operating subsidiaries and without bringing in additional capital. The minimum capitalization condition as mandated by para 3.10.4.1 of DIPP Circular 1 of 2012 dated April 10, 2012, on Consolidated FDI Policy, therefore, shall not apply to downstream subsidiaries.</li> <li>(v) Joint Venture operating NBFCs that have 75% or less than 75% foreign investment can also set up subsidiaries for undertaking other NBFC activities, subject to the subsidiaries also complying with the applicable minimum capitalisation norm mentioned in (i), (ii) and (iii) above and (vi) below.</li> <li>(vi) Non- Fund based activities : US\$ 0.5 million to be brought upfront for all permitted non-fund based NBFCs irrespective of the level of foreign investment subject to the following condition:</li> </ul>		

<sup>5</sup> With effect from 3rd day of October 2012



Sl. No.	Sector / Activity	% of Cap/Equity	Entry Route
	<p>It would not be permissible for such a company to set up any subsidiary for any other activity, nor it can participate in any equity of an NBFC holding/operating company.</p> <p>Note: The following activities would be classified as Non-Fund Based activities:</p> <p>(a) Investment Advisory Services</p> <p>(b) Financial Consultancy</p> <p>(c) Forex Broking</p> <p>(d) Money Changing Business</p> <p>(e) Credit Rating Agencies</p> <p>(vii) This will be subject to compliance with the guidelines of RBI.</p> <p>Note: (i) Credit Card business includes issuance, sales, marketing &amp; design of various payment products such as credit cards, charge cards, debit cards, stored value cards, smart card, value added cards etc.</p> <p>(ii) Leasing &amp; Finance covers only financial leases and not operating leases.</p> <p>(2) The NBFC will have to comply with the guidelines of the relevant regulator/ s, as applicable</p>		
<b>25</b>	<b>Pharmaceuticals</b>		
25.1	Greenfield	100%	Automatic
25.2	Existing Companies	100%	Government
<b>26<sup>6</sup></b>	<b>Power Exchanges</b>		
26.1	Power Exchanges under the Central Electricity Regulatory Commission (Power Market) Regulations, 2010	49% (FDI & FII)	Government (for FDI)
26.2	<b>Other conditions:</b>		
	<p>(i) Such foreign investment would be subject to an FDI limit of 26 per cent and an FII limit of 23 per cent of the paid-up capital;</p> <p>(ii) FII investments would be permitted under the automatic route and FDI would be permitted under the government approval route;</p> <p>(iii) FII purchases shall be restricted to secondary market only;</p> <p>(iv) No non-resident investor/ entity, including persons acting in concert, will hold more than 5% of the equity in these companies; and</p> <p>(v) The foreign investment would be in compliance with SEBI Regulations; other applicable laws/ regulations; security and other conditionalities.</p>		

<sup>6</sup> With effect from 20th day of September 2012

**Annex C**

**Report by the Indian company receiving amount of consideration for issue of shares / Convertible debentures/others as per Foreign Direct Investment Scheme**

*( To be filed by the company through its Authorised Dealer Category – I bank, with the Regional Office of the Reserve Bank under whose jurisdiction the Registered Office of the company making the declaration is situated, not later than 30 days from the date of receipt of the amount of consideration, as specified in para 9 (I) (A) of Schedule I to Notification No. FEMA 20/2000- RB dated May 3, 2000 )*

Permanent Account Number (PAN) of the investee company given by the IT Department	<table border="1" style="width: 100%; height: 20px; border-collapse: collapse;"> <tr> <td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td><td style="width: 12.5%;"></td> </tr> </table>															

No.	Particulars	(In Block Letters)	
1.	Name of the Indian company		
	Address of the Registered Office		
	Fax		
	Telephone		
	e-mail		
2	<b>Details of the foreign investor/ collaborator</b>		
	Name		
	Address		
	Country		
3.	Date of receipt of funds		
4.	Amount	In foreign currency	In Indian Rupees
5.	Whether investment is under Automatic Route or Approval Route	Automatic Route / Approval Route	
	If Approval Route, give details (ref. no. of approval and date)		
6.	Name of the AD through whom the remittance is received		
7.	Address of the AD		

A Copy of the FIRC evidencing the receipt of consideration for issue of shares/ convertible debentures /others as above is enclosed.

(Authorised signatory of the investee company)  (Stamp)	(Authorised signatory of the AD)  (Stamp)
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**FOR USE OF THE RESERVE BANK ONLY:**

Unique Identification Number for the remittance received:

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### 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 :

## FC-GPR

*(To be filed by the company through its Authorised Dealer Category – I bank with the Regional Office of the RBI under whose jurisdiction the Registered Office of the company making the declaration is situated as and when shares/convertible debentures / others are issued to the foreign investor, along with the documents mentioned in item No. 4 of the undertaking enclosed to this form)*

Permanent Account Number (PAN) of the investee company given by the Income Tax Department	<input type="text"/>
<i>Date of issue of shares / convertible debentures/others</i>	<input type="text"/>

No.	Particulars	(In Block Letters)
1.	Name	
	Address of the Registered Office	
	State	
	Registration No. given by Registrar of Companies	
	Whether existing company or new company (strike off whichever is not applicable)	Existing company / New company
	If existing company, give registration number allotted by RBI for FDI, if any	
	Telephone	
	Fax	
	e-mail	

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	<b>Details of the foreign investor / collaborator<sup>1*</sup></b>	
	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) <sup>4</sup> 9. Partnership / Proprietorship Firm 10. Financial Institution 11. NRIs / PIO 12. Others (please specify)]  Date of incorporation	

<sup>1</sup> \* If there is more than one foreign investor/collaborator, separate Annex may be included for items 3 and 4 of the Form.

<sup>4</sup> 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.

<b>4</b>	<b>Particulars of Shares / Convertible Debentures /others Issued</b>						
<b>(a)</b>	<b>Nature and date of issue</b>						
	<i>Nature of issue</i>	<i>Date of issue</i>	<i>Number of shares/ convertible debentures/others</i>				
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)						
	<b>Total</b>						
<b>(b)</b>	<b>Type of security issued</b>						
<b>No.</b>	<b>Nature of security</b>	<i>Number</i>	<i>Maturity</i>	<i>Face value</i>	<b>Premium</b>	<i>Issue Price per share</i>	<i>Amount of inflow*</i>
01	Equity						
02	Compulsorily Convertible Debentures						
03	Compulsorily Convertible Preference shares						
04	Others (please specify)						
	<b>Total</b>						

- 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

<b>(c)</b>	<b>Break up of premium</b>	<b>Amount</b>
	Control Premium	
	Non competition fee	
	Others <sup>@</sup>	
	<b>Total</b>	

<sup>@</sup> please specify the nature

<b>(d)</b>	<b>Total inflow</b> (in Rupees) on account of issue of shares / convertible debentures/others to non-residents	
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	(including premium, if any) vide  (i) Remittance through AD: (ii) Debit to NRE/FCNR/Escrow A/c with Bank _____ (iii) Others (please specify)  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)	<b>Disclosure of fair value of shares issued**</b>	
	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/other s			
		No. of shares	Amount (Face Value) Rs.	%	No. of shares	Amount (Face Value) Rs.	%	
<b>a)</b>	<b>Non-Resident</b>							
	<b>01</b>	<b>Individuals</b>						
	<b>02</b>	<b>Companies</b>						
	<b>03</b>	<b>FII's</b>						
	<b>04</b>	<b>FVCIs</b>						
	<b>05</b>	<b>Foreign Trusts</b>						
	<b>06</b>	<b>Private Equity Funds</b>						
	<b>07</b>	<b>Pension/ Provident Funds</b>						
	<b>08</b>	<b>Sovereign Wealth Funds</b>						
	<b>09</b>	<b>Partnership/ Proprietorship Firms</b>						
	<b>10</b>	<b>Financial Institutions</b>						
	<b>11</b>	<b>NRIs/PIO</b>						
	<b>12</b>	<b>Others (please specify)</b>						
		<b>Sub Total</b>						
<b>b)</b>	<b>Resident</b>							
<b>Total</b>								



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

**OR**

b) Shares issued are bonus.

**OR**

c) 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**

d) 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 \_\_\_\_\_

4 The foreign investment received and reported now will be utilized in compliance with the provision of a Prevention of Money Laundering Act 2002 (PMLA) and Unlawful Activities(Prevention) Act, 1967 (UAPA). We confirm that the investment complies with the provisions of all applicable Rules and Regulations

5. We enclose the following documents in compliance with Paragraph 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000:

- (i) A certificate from our Company Secretary certifying that
  - (a) all the requirements of the Companies Act, 1956 have been complied with;
  - (b) terms and conditions of the Government 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 in accordance with paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000.
- (ii) A certificate from SEBI registered Merchant Banker / Chartered Accountant indicating the manner of arriving at the price of the shares issued to the persons resident outside India.

6. Unique Identification Numbers given for all the remittances received as consideration for issue of shares/ convertible debentures/others (details as above), by Reserve Bank.

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(Signature of the Applicant)\* : \_\_\_\_\_  
 (Name in Block Letters) : \_\_\_\_\_  
 (Designation of the signatory) : \_\_\_\_\_

Place:  
 Date:

(\* To be signed by Managing Director/Director/Secretary of the Company)

**CERTIFICATE TO BE FILED BY THE COMPANY SECRETARY <sup>5</sup> OF THE INDIAN COMPANY ACCEPTING THE INVESTMENT:**

*(As per Para 9 (1) (B) (i) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000)*

In respect of the abovementioned details, we certify the following :

1. All the requirements of the Companies Act, 1956 have been complied with.
2. Terms and conditions of the Government approval, if any, have been complied with.
3. The company is eligible to issue shares / convertible debentures/others under these Regulations.
4. The company has all original certificates issued by AD Category – I banks in India, evidencing receipt of amount of consideration in accordance with paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000.

(Name & Signature of the Company Secretary) (Seal)

**FOR USE OF THE RESERVE BANK ONLY:**

**Registration Number for the FC-GPR:**

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**Unique Identification Number allotted to the Company at the time of reporting receipt of remittance**

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<sup>5</sup> If the company doesn't have full time Company Secretary, a certificate from practising CS may be submitted



# RESERVE BANK OF INDIA

**Annual Return on Foreign Liabilities and Assets as on 31 March, 20 \_\_**  
(Return to be filled under A.P. (DIR Series) Circular No. dated  
and submitted to the Department of Statistics and Information Management, RBI, Mumbai)

*Please read the guidelines/definitions carefully before filling-in the Return*

(Respondents are encouraged to submit the e-form of this return, which can be downloaded from the FEMA Forms section under the 'Forms' category on the RBI website: [www.rbi.org.in](http://www.rbi.org.in) . The e-form is easy-to-fill with user guidance and consistency checks. The duly filled-in e-form should be [emailed](#).)

**1. Name and Address of the Indian Company:**

Name of the Company: \_\_\_\_\_

Address: \_\_\_\_\_

City:  
Pin:

State: \_\_\_\_\_

2. PAN Number of Company given by Income Tax Department (10 digit)

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3. CIN Number allotted by Ministry of Corp. Affairs, Govt. of India (21 digit)

**4. Contact Details**

Contact Person

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Telephone No: \_\_\_\_\_

Fax: \_\_\_\_\_

e-mail: \_\_\_\_\_

&RP 51Q 's Web- Site (if any): \_\_\_\_\_

5. Account closing date (DD/MM/YYYY)

6. Nature of Business: \_\_\_\_\_

(As per National Industrial Classification (NIC) 2008 Code)

7. Whether your Company Name has changed during the last financial year (April - March) (Y/N)?

If yes, please specify the Company's old Name

Company's old Name: \_\_\_\_\_

Effective Date (DD/MM/YYYY)

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8. Whether the Company is listed

(Y/N)?

If yes, please furnish the share price on closing date of reference period

	Face Value ( Per Share)	Market Value (Per Share)	
	Latest March	Previous March	Latest March
Ordinary/Equity Share			

9. Identification of the reporting Company (in terms of inward FDI)

(a) Subsidiary of Foreign entity

(b) Associate of foreign entity

(c) Public Private Partnership

(d) Special Purpose Vehicle

(d) Other

10. Whether the Company is Asset Management Company (Y/N)?

11. Whether the Company has Technical Foreign collaboration (Y/N)?

12. Whether the company has any business activity during the last financial year (April - March) (Y/N)?

## Section II

### (Financial Details)

#### Block 1: Financial Detail of Reporting Company

**CARE:** Information should be reported for all the reference period, i.e. Previous March and Latest March. If reporting period is different from Account Closing Period, then information should be given on internal assessment

#### Block 1A: Total Paid- up Capital of Indian Company:

Item	End-of Previous March		End-of Latest March	
	Number of Shares in actual	Amount in Rs lakh	Number of Shares in actual	Amount in Rs lakh
<b>1.0 Total Paid-up Capital</b> (= 1.1 + 1.2)				
<b>1.1 Total Equity &amp; Participating Preference Share capital</b> (= 1.1(a) + 1.1(b))				
(a) Ordinary/Equity Share*				
(b) Participating Preference Share				
<b>1.2 Non-participating Preference Share#</b>				
<b>2.0 Non-resident Holdings (at face value in Rs lakh)</b>				
<b>21 Equity &amp; Participating Preference share capital</b> (Sum of item-1 to item-12)				
1 Individuals				
2 Companies				
3 Foreign Institutional Investors (FIIs)				
4 Foreign Venture Capital Investors (FVCIs)				
5 Foreign Trusts				
6 Private Equity Funds				
7 Pension/ Provident Funds				
8 Sovereign Wealth Fund (SWF)				
9 Partnership/ Proprietorship firms				
10 Financial Institutions				
11 NRIs/PIO				
12 Others non-resident holdings				
<b>2.2 Non-Participating Preference share</b>				
<b>3.0 Non Resident Equity &amp; Participating Preference share capital %</b>				

**Note**

\*In case of different class of Equity Share (class A, class B etc.), consolidated figure should be reported.

#Non-participating Preference Share do not have following rights.

(a) to receive dividend, out of surplus profit after paying the dividend to equity shareholders.

(b) to have share in surplus assets remaining after the entire capital is paid in case of winding up of the company.

**Block 1B: Profit and Loss Account (from P/L Account)**

Item	Amount in Rs lakh	
	Previous Year (April - March)	Latest Year (April - March)
3.1 Profit (+) / Loss (-) before tax <b>(During the Year)</b>		
3.2 Profit (+) / Loss (-) after tax <b>(During the Year)</b>		
3.3 Dividend (Interim & Final Dividend)		
3.4 Tax on Dividend (if any)		
<b>3.5 Retained Profit (= 3.2 - 3.3 - 3.4)</b>		

**Block 1C: Reserves & Surplus (from Balance Sheet)**

Item	Amount in Rs lakh as at the end of	
	Previous March	Latest March
4.1 Reserves <b>(Excluding Profit and Loss account balance)</b>		
4.2 Profit (+) and Loss (-) account balance		
4.3 Reserve and Surplus (= 4.1 + 4.2)		
4.4 Net worth of Company (= 1.1 + 4.3)		

**Block 1D: Sales and Purchase made during the Financial Year**

**Note:** To be filled in by company where single foreign direct investor holding is more than 50% in total equity (i.e. If reporting Indian company is subsidiary of Foreign company).

Item	Amount in Rs lakh (During the year)	
	Previous March	Latest March
5.1 Domestic Sales		
5.2 Exports		
5.3 Total Sales (= 5.1+ 5.2)		
5.4 Domestic purchase		
5.5 Imports		
5.6 Total Purchase (= 5.4 + 5.5)		

### Section III

#### (FOREIGN LIABILITIES)

**CARE:** Information should be reported for all the reference period, i.e. Previous March and Latest March. If reporting period is different from Account Closing Period, then information should be given on internal assessment.

#### 2. Investments made in India:

- (i) In case of **listed companies**, equity should be valued **using share price on closing date of reference period**.
- (ii) In case of **unlisted companies**, **Own Fund of Book Value (OFBV) Method** should be used.

#### Block-2A:

#### **Investment in India under Foreign Direct Investment (FDI) scheme (10% or more Equity Participation).**

[Please furnish here the outstanding investments made under the FDI Scheme in India by Non-resident Direct investors, who were **individually holding 10 per cent or more** ordinary/equity & preference shares of your company on the reporting date]

Name of the non-resident Company/ Individual	Type of Capital	Country of non-resident investor	Equity & Participating Preference share capital holding per cent as at the end of latest year (%)	Amount in Rs lakh as at the end of	
				Previous March	Latest March
	<b>1.0 Equity Capital</b> (= 1.1 - 1.2)				
	1.1 Liabilities to Direct Investor				
	1.2 Claims on Direct Investor (Reverse investment)				
	<b>2.0 Other Capital #</b> (= 2.1 - 2.2)				
	2.1 Liabilities to Direct Investor				
	2.2 Claims on Direct Investor				

**Note:**

- (i) If the information is to be furnished for more than one investor, then add separate Block with same format
- (ii) #: Other capital, item 2.1 & 2.2 of Block-2A includes all other liabilities and claims at Nominal value, except equity and participating preference shares, (i.e. trade credit, loan, debentures, Non-participating share capital, other accounts receivable and payables etc.) of Indian reporting company with its **director investor indicated in Block-2A**.

#### Block 2B:

#### **Investment in India under Foreign Direct Investment (FDI) scheme (Less than 10% Equity Holding)**

[Please furnish here the outstanding investments made under the FDI Scheme in India by Non-resident Direct investors, who were individually holding less than 10 per cent ordinary/equity and participating preference shares of your company on the reporting date].

Country-wise consolidated information should be provided below:

Type of Capital	Country of non-resident investor	Equity & Participating Preference share capital holding per cent as at the end of latest year (%)	Amount in Rs lakh as at the end of	
			Previous March	Latest March
<b>1.0 Equity Capital</b> (= 1.1-1.2)				
1.1 Liabilities to Direct Investor				
1.2 Claims on Direct Investor (Reverse investment)				
<b>2.0 Other Capital</b> (= 2.1-2.2) #				
2.1 Liabilities to Direct Investor				
2.2 Claims on Direct Investor				

**Note:**

- (i) If the information is to be furnished for more than one country, then add separate Block with same format.  
(ii) #: Other capital, item 2.1 & 2.2 of Block-2B includes all other liabilities and claims at Nominal value, except equity and participating preference shares, (i.e. trade credit, loan, debentures, Non-participating share capital, other accounts receivable and payables etc.) of Indian reporting company with **non-resident investors holding less than 10 per cent equity and related parties.**

## 2C. Portfolio Investment in India

Please furnish here the outstanding investments by non-resident investors, other than those made under Foreign Direct Investment Scheme in India (i.e. other than those reported in Block-2A & Block-2B).

Portfolio Investment	Equity & Participating Preference share capital holding per cent as at the end of latest year (%)	Amount in Rs lakh as at the end of	
		Previous March	Latest March
<b>1.0 Equity Securities</b> (at Market Value)			
<b>2.0 Debt Securities</b> (=2.1+2.2)			
2.1 Money Market Instruments (original maturity upto 1 year)			
2.2 Bonds and Other instruments (original maturity more than 1 year)			

Please ensure that Non-resident Equity & Participating Preference share capital mentioned at item 2.1 of block 1(A) should be reported in either Block-2A or Block-2B or Block-2C at Market Value i.e. sum of equity % in Block-2A, Block-2B & Block-2C must be equal to the item 3.0 of Block-1A for the latest march.



**Section IV**  
**(FOREIGN ASSETS)**

1. Please use the **exchange rate as at end-March Previous FY and end-March Latest FY** (as applicable) of reporting year while reporting the **foreign Assets in Rs lakh**.
2. If overseas company is listed; equity should be valued using share price on closing date of **reference period**.
3. If overseas company is **unlisted, Own Fund of Book Value (OFBV)** Method should be used for valuation of equity investment.

**Block-3: Equity Capital, Reserves & Surplus of Direct Investment Enterprise (DIE) Abroad (10% or more equity holding by Indian Reporting company)**

[Please report here the total equity of DIE, **equity held by your company**, reserves (excluding P&L Account) and P&L Account of those DIEs in each of which your company hold 10% or more equity shares on the reference date.]

Name of the DIE	Item	Currency	Amount in Foreign Currency as at the end of (in actual)	
			Previous March	Latest March
	3.1 Total Equity of DIE			
	3.2 Equity of DIE held by you			
	3.3 Reserves (Excluding P&L Account)			
	3.4 Profit and Loss Account balance			
	3.5 Reserve and Surplus (=3.3+3.4)			
	3.6 Net Worth of DIE (=3.1+3.5)			
	3.7 Exchange rate in Rs per unit foreign currency*			

\*: Exchange rate of reporting foreign currency against Indian Rs should be given as on closing date of reference period. FEDAI website (<http://www.fedai.org.in>) may be used for Exchange rates.

**Block-4: Direct Investment Abroad under Overseas Direct Investment (ODI) Scheme**

**Block-4A: Direct Investment Abroad (10% or more equity holding)**

Please furnish here the market value of outstanding investments in DIE, made by your company under the ODI Scheme, in each of which your company hold 10% or more equity shares on the reference date.

Name of the non-resident DIE	Type of Capital	Country of non-resident DIE	Equity holding per cent as at the end of latest year (%)	Amount in Rs lakh as at the end of	
				Previous March	Latest March
	<b>1.0 Equity Capital</b> (=1.1-1.2)				
	1.1 Claims on Direct Investment Enterprise				
	1.2 Liabilities to Direct Investment Enterprise (Reverse investment)				
	<b>2.0 Other Capital</b> (=2.1-2.2) #				
	2.1 Claims on Direct Investment Enterprise				
	2.2 Liabilities to Direct Investment Enterprise				

Note:

(i) If the information is to be furnished for more than one overseas company, then ADD separate Block 3 and Block 4A with the same format.

(ii) #: Other capital, item 2.1 & 2.2 of Block-4A includes all other liabilities and claims at Nominal value, except equity shares, (i.e. trade credit, loan, debentures, Non-participating share capital, other accounts receivable and payables etc.) of Indian reporting company with its DIE reported in **Block-4A**.

**Block-4B: Direct Investment Abroad (Less than 10% equity holding).**

Please furnish here the market value of outstanding investments in DIE, made by your company under the ODI Scheme, in each of which your company hold less than 10 % equity shares on the reference date.

Type of Capital	Country of non-resident DIE	Equity holding per cent as at the end of latest year (%)	Amount in Rs lakh as at the end of	
			Previous March	Latest March
<b>1.0 Equity Capital (=1.1-1.2)</b>				
1.1 Claims on Direct Investment Enterprise				
1.2 Liabilities to Direct Investment Enterprise (Reverse investment)				
<b>2.0 Other Capital (=2.1-2.2) #</b>				
2.1 Claims on Direct Investment Enterprise				
2.2 Liabilities to Direct Investment Enterprise				

Note:

(i) If the information is to be furnish for more than one country, then use the ADD Block 4B with the same format.

(ii) #: Other capital, item 2.1 & 2.2 of Block-4B includes all other liabilities and claims at Nominal value, except equity, (i.e. trade credit, loan, debentures, Non-participating share capital, other accounts receivable and payables etc.) of Indian reporting company with **non-resident companies where Indian company holds less than 10 per cent equity and also with related parties**.

**Block-5: Portfolio Investment Abroad**

Please furnish here the market value of outstanding investments in non-resident enterprises, **other than those made under ODI scheme reported in Block-4**.

Portfolio Investment	Country of non-resident enterprise	Amount in Rs lakh as at the end of	
		Previous March	Latest March
<b>1.0 Equity Securities (at Market Value)</b>			
<b>2.0 Debt Securities (=2.1+2.2)</b>			
2.1 Money Market Instruments (original maturity upto 1 year)			
2.2 Bonds and Other instruments (original maturity more than 1 year)			

Note:

(i) Country wise consolidated information pertaining to each type of investment should be reported separately.

(ii) If the information is to be furnish for more than one country, then use the ADD Block 5 with the same format..

## Section V

### (Other Assets and Liabilities)

#### **Block 6: Other Investment ((i.e., position with unrelated parties)**

This is a residual category that includes all financial outstanding liability and claims not considered as direct investment or portfolio investment.

Other Investment	Outstanding Liabilities with unrelated party		Outstanding claims on unrelated party	
	Amount in Rs lakh as at the end of			
	Previous March	Latest March	Previous March	Latest March
6.1 Trade Credit				
6.2 Loans				
6.3 Currency & Deposits				
6.4 Other receivable and payable accounts				

[e-Form version of this Return is available on the FEMA Forms section under the 'Forms' category on the RBI website ([www.rbi.org.in](http://www.rbi.org.in)). System Requirement: MS- Excel 2003 and above, with macro enabled]

#### Declaration

The foreign investment received and reported have been utilized in compliance with the provision of a Prevention of Money Laundering Act 2002 (PMLA) and Unlawful Activities(Prevention) Act, 1967 (UAPA). We confirm that the investment complies with the provisions of all applicable Rules and Regulations

Place:

Signature and Name of the Authorized person

Date:

Seal/Stamp of the Company

<b>Form FC-TRS</b>	
<b>Declaration regarding transfer of shares / compulsorily and mandatorily convertible preference shares (CMCPS) / debentures /others by way of sale from resident to non resident / non-resident to resident</b>	
(to be submitted to the designated AD branch in quadruplicate within 60 days from the date of receipt of funds)	
<p><b>The following documents are enclosed</b></p> <p><i>For sale of shares / compulsorily and mandatorily convertible preference shares / debentures / others by a person resident in India</i></p> <ol style="list-style-type: none"> <li>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.</li> <li>ii. The shareholding pattern of the investee company after the acquisition of shares by a person resident outside India.</li> <li>iii. Certificate indicating fair value of shares from a Chartered Accountant.</li> <li>iv. Copy of Broker's note if sale is made on Stock Exchange.</li> <li>v. Declaration from the buyer to the effect that he is eligible to acquire shares / compulsorily and mandatorily convertible preference shares / debentures/others under FDI policy and the existing sectoral limits and Pricing Guidelines have been complied with.</li> <li>vi. Declaration from the FII/sub account to the effect that the individual FII / Sub account ceiling as prescribed has not been breached.</li> </ol> <p><i>Additional documents in respect of sale of shares / compulsorily and mandatorily convertible preference shares / debentures / others by a person resident outside India</i></p> <ol style="list-style-type: none"> <li>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.</li> <li>viii. No Objection/Tax Clearance Certificate from Income Tax Authority/ Chartered Account.</li> </ol>	
<b>1</b>	<p><b>Name of the company</b></p> <p>Address (including e-mail , telephone Number, Fax no)</p> <p>Activity</p> <p>NIC Code No.</p>

„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.

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

„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.

	Date and Place of Incorporation				
	Address of the seller ( <i>including e-mail, telephone Number Fax no</i> )				
6	Particulars of earlier Reserve Bank / FIPB approvals				
7	Details regarding shares / compulsorily and mandatorily convertible preference shares (CMCPS) / debentures/ others (such as FDI compliant instruments like participating interest rights in oil fields, etc.) to be transferred				
	<b><i>Date of the transaction</i></b>	<b><i>Number of shares CMCPS / debentures /others</i></b>	<b><i>Face value in Rs.</i></b>	<b><i>Negotiated Price for the transfer**in Rs.</i></b>	<b><i>Amount of consideration in Rs.</i></b>
8	Foreign Investments in the company		No. of shares	Percentage	
		Before the transfer			
		After the transfer			
9.	Where the shares / CMCPS / debentures / others are listed on Stock Exchange				
	Name of the Stock Exchange				
	<i>Price Quoted on the Stock exchange</i>				
	Where the shares / CMCPS / debentures / others are Unlisted				
	Price as per Valuation guidelines*				

„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.

Price as per Chartered Accountants  * / ** Valuation report (CA Certificate to be attached)	
<p><b>Declaration by the transferor / transferee</b>  <b>I / We hereby declare that</b></p> <ol style="list-style-type: none"> <li>i. The particulars given above are true and correct to the best of my/our knowledge and belief.</li> <li>ii. I/ We, was/were holding the shares compulsorily and mandatorily convertible preference shares / debentures/ other as per FDI Policy under FERA/ FEMA Regulations on repatriation/non repatriation basis.</li> <li>iii. I/ We, am/are eligible to acquire the shares compulsorily and mandatorily convertible preference shares / debentures /other of the company in terms of the FDI Policy. It is not a transfer relating to shares compulsorily and mandatorily convertible preference shares / debentures /others of a company engaged in financial services sector or a sector where general permission is not available.</li> <li>iv. The Sectoral limit under the FDI Policy and the pricing guidelines have been adhered to.</li> </ol> <p style="text-align: right;"><b>Signature of the Declarant or his duly authorised agent</b></p> <p style="text-align: center;"><b>Date:</b> <b>Note:</b></p> <p><i>In respect of the transfer of shares / compulsorily and mandatorily convertible preference shares / compulsorily and mandatorily convertible debentures/ others 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/ other from non-resident to resident the declaration has to be signed by the non-resident seller.</i></p>	
<p><b>Certificate by the AD Branch</b></p> <p>It is certified that the application is complete in all respects.</p> <p>The receipt / payment for the transaction are in accordance with FEMA Regulations / Reserve Bank guidelines.</p> <p style="text-align: right;"><b>Signature</b></p> <p style="text-align: right;">Name and Designation of the Officer</p> <p>Date : Name of the AD Branch</p> <p style="text-align: right;">AD Branch Code</p>	

„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.

**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 :



## Proforma

**Statement of inflows/outflows on account of remittance received/made in connection with transfer of shares / compulsorily and mandatorily convertible preference shares / debentures/others/other, by way of sale**

### Category-wise

**Part A - NRI/erstwhile OCB**

**Part B - Foreign National/non-resident incorporated entity**

**Part C - Foreign Institutional Investors**

**Inflow - Transfer from resident to non-resident**

**[Amount in Rs.]**

Date of Transaction	Name of the Company	Activity	NIC Code	Name of the Buyer	Constitution/ Nature of Business of the Buyer	Name of the Seller	Constitution/ Nature of Business of the Seller	No. of Shares transferred	Face Value	Sale price per share	Total Inflow
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

**Outflow - Transfer from non-resident to resident**

**[Amount in Rs.]**

Date of Transaction	Name of the Company	Activity	NIC Code	Name of the Seller	Constitution/ Nature of Business of the Seller	Name of the Buyer	Constitution/ Nature of Business of the Buyer	No. of Shares transferred	Face Value	Sale price per share	Total Inflow
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)