



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

---

**RBI/2013-14/255**  
**A.P. (DIR Series) Circular No. 44**

**September 13, 2013**

To

All Category - I Authorised Dealer Banks

Madam/ Sir,

**Foreign Direct Investment (FDI) in India – Review of FDI policy – definition for control and sector specific conditions**

Attention of Authorised Dealer Category – I (AD Category-I) banks is invited to Annex B of Schedule 1 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified by the Reserve Bank vide [Notification No. FEMA. 20/2000-RB dated 3rd May 2000](#), as amended from time to time whereby description of sectors/activities wherein the entry norms, sectoral cap and other conditions for sectors/activities in which FDI is permitted under Government route and Automatic route are specified.

2. Attention of Authorised Dealer Category – I (AD Category-I) banks is also invited to [Annex](#) to A.P. (DIR Series) Circular 01 of July 04, 2013 whereby the definitions for ownership and control for an Indian company has been given .

3. It has been decided to revise the definition of the term 'control' as under;

'Control' shall include the right to appoint a majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreements or voting agreements.

4. Government of Himachal Pradesh and Karnataka have given consent to implement the FDI policy on Multi Brand Retail Trading in Himachal Pradesh and Karnataka respectively. As such, the list of States/Union Territories which have

conveyed their concurrence stands modified. Further, the extant policy on FDI caps and routes for various sectors has since been reviewed. Accordingly, in order to bring uniformity in the sectoral classification position for FDI as notified under the Consolidated FDI Policy Circular with the FEMA Regulations, Annex B of Schedule 1 to Notification No. FEMA. 20/2000-RB dated 3rd May 2000, has been suitably revised and the updated list is given at the Annex.

5. A copy each of [Press Note No.1 \(2013 Series\) dated June 3, 2013](#), [Press Note No. 3 \(2013 Series\) dated July 4, 2013](#) and [Press Note Nos. 4, 5 and 6 \(2013 Series\) dated August 22, 2013](#) issued by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India in this regard is enclosed.

6.. AD Category - I banks may bring the contents of the circular to the notice of their customers/constituents concerned.

7. Reserve Bank has since amended the Regulations and notified vide [Notification No. FEMA. 285/2013-RB dated August 30, 2013](#) vide G.S.R. No.597(E).

8. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(Rudra Narayan Kar)**  
**Chief General Manager-In-Charge**