

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

RBI/2004/46
A.P.(Dir Series) Circular No.67

February 6, 2004

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

**Clarification regarding Automatic Route for
Residual Activities under Foreign Direct Investment (FDI)**

Attention of Authorised Dealers is invited to A.P. (DIR Series) Circular No.38 dated December 3, 2003 forwarding therewith the Summary of Regulatory Provisions covering Foreign Investments in India and the Notification No. FEMA 94/2003-RB dated June 18, 2003.

2. It may be observed that in the amended Notification No. FEMA 94/2003-RB dated June 18, 2003 there is no mention in the Annexure B about the investment in respect of **residual activities** viz. "Any other Sector/Activity (other than included in Annexure A)" previously classified under item No.9 of Annexure B to Schedule I of FEMA.20/2000-RB dated May 3, 2000. Government have since clarified that Automatic Route for FDI upto 100 per cent would continue to be available for residual activities as was previously available.

3. The necessary amendments to the Foreign Exchange Management Act (Transfer or issue of security by a Person Resident outside India) Regulations, 2000 are being issued separately.

4. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

5. 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).

Yours faithfully,

Grace Koshie

Chief General Manager