



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

RBI/2012-13/375

A. P. (DIR Series) Circular No.74

January 10, 2013

To

All Category-I Authorised Dealer Banks

Madam / Sir,

Foreign Direct Investment (FDI) in India - Issue of equity shares under the FDI scheme allowed under the Government route

Attention of Authorised Dealers Category – I (AD Category - I) banks is invited to Para 3 of [A.P. \(DIR Series\) Circular No. 74 dated June 30, 2011](#) read with [A.P. \(DIR Series\) Circular No. 55 dated December 9, 2011](#), allowing thereby issue of equity shares/ preference shares under the Government route by conversion of import of capital goods, etc., subject to terms and conditions stated therein.

2. On review of the policy, it has now been decided to amend certain conditions in the aforesaid para. The amended conditions are given in the Annex.

3. All the other conditions contained in the A.P. (DIR Series) Circulars No. 74 dated June 30, 2011 and No. 55 dated December 9, 2011, shall remain unchanged.

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

5. Necessary amendments to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 ([Notification No. FEMA 20/2000-RB dated May 3, 2000](#)) have been notified vide [Notification No. FEMA.229/2012-RB dated April 23, 2012](#) and [Notification No. FEMA.242/2012-RB dated October 19, 2012](#)

6. 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

Annex

[A. P. (DIR Series) Circular No. dated January , 2013]

c.f. A.P.(DIR Series) Circular No. 74 dated June 30, 2011	Earlier Condition	Revised condition
Para 3(l)	Import of capital goods/ machineries/equipments (including second-hand machineries),	Import of capital goods/ machineries/equipments (excluding second-hand machineries),
Para 3(l)(b)	There is an independent valuation of the capital goods / machineries / equipments (including second-hand machineries) by a third party entity, preferably by an independent valuer from the country of import along with production of copies of documents /certificates issued by the customs authorities towards assessment of the fair-value of such imports;	There is an independent valuation of the capital goods / machineries / equipments (excluding second-hand machineries) by a third party entity, preferably by an independent valuer from the country of import along with production of copies of documents /certificates issued by the customs authorities towards assessment of the fair-value of such imports;