



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

**RBI/2014-15/117  
A.P. (DIR Series) Circular No.1**

**July 3, 2014**

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**Financial Commitment (FC) by Indian Party under Overseas Direct Investments (ODI) – Restoration of Limit**

Attention of the Authorised Dealer (AD - Category I) banks is invited to the provisions of the Notification No. FEMA.120/RB-2004 dated July 7, 2004 [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time and the [A.P.\(DIR Series\) Circular No. 23 dated August 14, 2013](#) and [A.P.\(DIR Series\) Circular No. 30 dated September 04, 2013](#).

2. On a review, it has been decided to restore the limit of Overseas Direct Investments (ODI)/ Financial Commitment (FC) to be undertaken by an Indian Party under the automatic route to the limit prevailing, as per the extant FEMA provisions, prior to August 14, 2013. It has, however, been decided that any financial commitment exceeding USD 1 (one) billion (or its equivalent) in a financial year would require prior approval of the Reserve Bank even when the total FC of the Indian Party is within the eligible limit under the automatic route (i.e., within 400% of the net worth as per the last audited balance sheet).

3. All the other provisions under the Notification *ibid* shall remain unchanged.

4. AD - Category I banks may bring the contents of this Circular to the notice of their constituents and customers concerned.
  
5. The directions contained in this Circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully

**(C.D. Srinivasan)**  
**Chief General Manager**



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

RBI/2014-15/119

July 7, 2014

**A.P. (DIR Series) Circular No.2**

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**Foreign Exchange Management Act, 1999 –  
Import of Rough, Cut and Polished Diamonds**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to the [A.P.\(DIR Series\) Circular No.59 dated May 6, 2011](#), in terms of which AD Category – I banks were permitted to approve Suppliers' and Buyers' Credit (Trade Credit), including the usance period of Letters of Credit for import of Rough, Cut and Polished Diamonds for a period not exceeding 90 days from the date of shipment.

2. Taking into consideration the representations received from the diamond importers and the GJEPC, it has been decided, in consultation with the Government of India, that the Clean Credit i.e. credit given by a foreign supplier to its Indian customer/buyer, without any Letter of Credit (Suppliers' Credit) / Letter of Undertaking (Buyers' Credit) / Fixed Deposits from any Indian financial institution for import of Rough, Cut and Polished Diamonds, may be permitted for a period not exceeding 180 days from the date of shipment. The revised directions will come into force with immediate effect.
  
3. AD Category – I banks should ensure that due diligence is undertaken and Know-Your-Customer (KYC) Norms and Anti-Money Laundering (AML) Standards,

issued by the Reserve Bank are adhered to while undertaking the import transactions. Further, any large or abnormal increase in the volume of business should be closely examined to ensure that the transactions are bonafide. All other instructions relating to imports of Rough, Cut and Polished Diamonds shall continue.

4. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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

Yours faithfully

(C.D. Srinivasan)  
Chief General Manager



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

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**RBI/2014-15/123**

**A.P.(DIR Series) Circular No.3**

**July 14, 2014**

To,

All Category – I Authorised Dealer Banks

Madam/Sir,

**Issue of Partly Paid Shares and Warrants by Indian Company to Foreign Investors**

Attention of Authorized Dealers Category –I (AD Category-I) banks is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (principal Regulations) notified by the Reserve Bank of India vide [Notification No.FEMA.20/2000-RB dated 3<sup>rd</sup> May 2000](#), in terms of which only equity shares and compulsorily and mandatorily convertible preference shares/debentures are recognised as Foreign Direct Investment (FDI) compliant instruments. Further, equity shares or compulsorily and mandatorily convertible preference shares/debentures containing an optionality clause but without any option/right to exit at an assured price have also been recognised as FDI compliant instruments.

2. A review of the policy as regards partly paid shares and warrants has been undertaken and it has been decided as under:

(i) **Eligible instruments and investors**

Partly paid equity shares and warrants issued by an Indian company in accordance with the provision of the Companies Act, 2013and the SEBI guidelines, as applicable, shall be eligible instruments for the purpose of FDI and foreign portfolio investment (FPI) by Foreign Institutional Investors (FIIs)/Registered Foreign Portfolio Investors(RFPIs) subject to compliance with FDI and FPI schemes.

**(ii) Pricing and receipt of balance consideration**

**(a) Partly paid equity shares**

The pricing of the partly paid equity shares shall be determined upfront and 25% of the total consideration amount (including share premium, if any), shall also be received upfront; The balance consideration towards fully paid equity shares shall be received within a period of 12 months.

The time period for receipt of the balance consideration within 12 months shall not be insisted upon where the issue size exceeds rupees five hundred crore and the issuer complies with Regulation 17 of the SEBI (Issue of Capital and Disclosure Requirements (ICDR)) Regulations regarding monitoring agency. Similarly, in case of an unlisted Indian company, the balance consideration amount can be received after 12 months where the issue size exceeds rupees five hundred crores. However, the investee company shall appoint a monitoring agency on the same lines as required in case of a listed Indian company under the SEBI (ICDR) Regulations. Such monitoring agency (AD Category -1 bank) shall report to the investee company as prescribed by the SEBI regulations, ibid, for the listed companies.

**(b) Warrants**

The pricing of the warrants and price/ conversion formula shall be determined upfront and 25% of the consideration amount shall also be received upfront. The balance consideration towards fully paid up equity shares shall be received within a period of 18 months;

The price at the time of conversion should not in any case be lower than the fair value worked out, at the time of issuance of such warrants, in accordance with the extant FEMA Regulations and pricing guidelines stipulated by RBI from time to time. Thus, Investee company shall be free to receive consideration more than the pre-agreed price.

### **(iii) Reporting**

#### **(a) Partly paid equity shares**

The reporting of receipt of foreign inward remittance towards each upfront /call payment for FDI transaction shall be made in Advance Reporting Form (format enclosed) along with copy/ies of Foreign Inward Remittance Certificate/s (FIRC), Know Your Customer (KYC) report on non-resident investor and details of the Government approval, if any. The reporting of issue or transfer of partly paid shares shall be made in form FC-GPR and form FC-TRS respectively, to the extent the equity shares are called up. The reporting of purchase/sale of partly paid shares by FIIs/RFPIs in form LEC by the designated branch of authorised dealer bank should be in accordance with FEMA regulations.

#### **(b) Warrants**

The identity of non-resident investor shall be disclosed for the purpose of compliance with KYC norms at the time of issuance of warrants.

The reporting of receipt of foreign inward remittance towards each upfront /call payment for FDI transaction shall be made in Advance Reporting form (format enclosed) along with a copy/ies of Foreign Inward Remittance Certificate/s (FIRC), Know Your Customer (KYC) report on non-resident investor and details of the Government approval, if any. The reporting of issue or transfer of warrants in form FC-GPR and form FC-TRS respectively, under the head 'others', shall reflect the extent up to which the amount in respect of equity shares has been called up by the company. The reporting of purchase/sale of warrants by FIIs/RFPIs in form LEC under the head 'others' with suitable details by the designated branch of authorised dealer bank of FIIs/RFPIs, should be in accordance with FEMA regulations.

### **(iv) Compliance**

The onus of compliance of all the conditions under FEMA as regards entry route, sectoral caps and all other conditions under FDI guidelines shall be on the Investee

company in case of issue of partly paid shares /warrants as well as upon resident transferor or transferee in accordance with extant guidelines in case of transfer of partly-paid shares/warrants. The onus of giving notice required under the provisions of the Companies Act, 2013 for transfer of partly-paid shares shall also be on the Investee company. The onus of compliance with individual limit below 10% (ten per cent) of the total paid-up equity capital shall be on each FII/RFPI. Further, the aggregate investments of all FIIs/RFPIs put together shall not exceed the applicable aggregate limit for each issue of partly paid shares.

### **Other conditions**

3. The following other conditions shall also be adhered to:
  - (a) The Indian company whose activity/ sector falls under government route would require prior approval of the Foreign Investment Promotion Board (FIPB), Government of India for issue of partly-paid shares/ warrants.
  - (b)The forfeiture of the amount paid upfront on non-payment of call money shall be in accordance with the provisions of the Companies Act, 2013 and Income tax provisions, as applicable;
  - (c) The company while issuing partly paid shares or warrants shall ensure that the sectoral caps are not breached even after the shares get fully paid-up or warrants get converted into fully paid equity shares. Similarly, the Non-resident investors acquiring partly paid shares or convertible debentures or warrants shall ensure that the sectoral caps are not breached even after the shares get fully paid-up or warrants get converted into fully paid equity shares.
  - (d) The deferment of payment of consideration amount or shortfall in receipt of consideration amount as per applicable pricing guidelines by the foreign investors will not be covered under these guidelines so as to be treated as subscription to partly paid shares and warrants. Thus, the Investee company under these guidelines for issue/transfer of partly-paid shares/warrants, shall require to comply with the requirements under the Companies Act, 2013 for issuance of partly paid shares and warrants;

4. Non-Resident Indians (NRIs) shall also be eligible to invest on non-repatriation basis in partly-paid shares and warrants issued by Indian companies in accordance with the provisions of the Companies Act/ SEBI guidelines / Income tax provisions, as applicable. Investments by NRIs in partly-paid shares and warrants on non-repatriation basis shall also be subject to terms and conditions stipulated in Schedule 4 to [Notification No. FEMA. 20/2000-RB dated 3<sup>rd</sup> May 2000](#), as amended from time to time.

5. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Ninth Amendment) Regulations, 2014 notified vide [Notification No. FEMA. 308/2014-RB dated June 30, 2014](#) c.f. G.S.R. No. 436(E) dated July 8, 2014.

6. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers concerned.

7. 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,

(B.P. Kanungo)  
Principal Chief General Manager

**[Annex to A.P.(DIR Series) Circular No.3 of July 14, 2014 ]**

**Advance Reporting Form**

**Report by the Indian company receiving amount of consideration for issue of shares / Convertible debentures/others under the FDI 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	<input type="text"/>		
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 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	
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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:



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

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**RBI/2014-15/129**

**A. P. (DIR Series) Circular No. 4**

**July 15, 2014**

To,

All Category –I Authorised Dealer Banks

Madam/Sir,

**Foreign Direct Investment (FDI) in India -  
Issue/Transfer of Shares or Convertible Debentures  
- Revised pricing guidelines**

Attention of Authorized Dealers Category – I (AD Category - I) banks is invited to Regulation 10(A)(b)(i), para 5 of Schedule 1, para 1(5) of Schedule 2 and para 2(iv) of Schedule 2A to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (the Principal Regulations) notified vide [Notification No. FEMA.20/2000-RB dated May 3, 2000](#) as amended from time to time, in terms of which, transfer/issue of shares of an Indian company is subject to pricing guidelines stipulated by the Reserve Bank and to [A.P. \(DIR Series\) Circular No. 49 dated May 04, 2010](#), depicting the comprehensive position in this regard.

2. Attention of AD Category-I banks is also invited to Regulation 9 of the Principal Regulations read with [A.P. \(DIR Series\) Circular No. 86 dated January 9, 2014](#) in terms of which optionality clauses have been allowed in equity shares and compulsorily and mandatorily convertible preference shares/debentures to be issued to a person resident outside India under the Foreign Direct Investment (FDI) scheme subject to conditions mentioned therein.

3. The extant pricing guidelines in respect of transfer/issue of shares and for exit from investment in equity shares with or without optionality clauses of listed/unlisted Indian companies have since been reviewed so as to provide greater freedom and flexibility to the parties concerned under the FDI framework. The new pricing guidelines shall be as under:

**(i) In case of listed companies**

- (a) The issue and transfer of shares including compulsorily convertible preference shares and compulsorily convertible debentures shall be as per the SEBI guidelines;
- (b) The pricing guidelines for FDI instruments with optionality clauses shall continue to be in accordance with A.P. (DIR Series) Circular No. 86 dated January 9, 2014, i.e., the non-resident investor shall be eligible to exit at the market price prevailing on the recognised stock exchanges subject to lock-in period as stipulated, without any assured return.

**(ii) In case of unlisted companies**

The issue and transfer of shares including compulsorily convertible preference shares and compulsorily convertible debentures with or without optionality clauses shall be at a price worked out as per any internationally accepted pricing methodology on arm's length basis. Thus, the guiding principle will be that the non-resident investor is not guaranteed any assured exit price at the time of making such investment/agreement and shall exit at a fair price computed as above at the time of exit subject to lock-in period requirement as applicable in terms of A.P. (DIR Series) Circular No. 86 dated January 9, 2014.

4. The changes in the existing pricing guidelines for FDI applicable to transfer/issue of shares and for exit from foreign direct investment with optionality clauses for the unlisted Indian companies are given in the Annex 1 and Annex 2 respectively.

5. An Indian company taking on record in its books any transfer of its shares or convertible debenture by way of sale from a resident to a non-resident and a non-resident to a resident shall disclose in its balance sheet for the financial year, in which the transaction took place, the details of valuation of share or convertible debentures, the pricing methodology adopted for the same as well as the agency that has given/certified the valuation.

6. These directions shall come into effect from the date of the publication of the relative Notification in the Official Gazette.

7. All the other instructions of [A. P. \(DIR Series\) Circular No.16 dated October 4, 2004](#) read with A.P. (DIR Series) Circular No.49 dated May 4, 2010 and A.P. (DIR Series) Circular No. 86 dated January 9, 2014 shall remain unchanged.
8. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers.
- 9 Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Seventh Amendment) Regulations, 2014 notified vide [Notification No. FEMA.306/2014-RB dated May 23, 2014](#) c.f. G.S.R. No. 435(E) dated July 8, 2014.
10. 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,

**(B.P. Kanungo)**  
**Principal Chief General Manager**

**Annex 1**

**(A.P. (DIR Series) Circular No. 4 dated 15.07.2014)**

<b>Sr. No.</b>	<b>Issue/Transfer of Shares</b>	<b>Existing Provisions</b>	<b>Revised Provisions</b>
1.	<b>Issue of Shares</b>	<p><b>Issue of Shares to non-residents</b></p> <p>Price of shares issued to persons resident outside India under this Schedule, shall not be less than</p> <p>(a) the price worked out in accordance with the SEBI guidelines, as applicable, where the shares of the company is <b>listed</b> on any recognised stock exchange in India;</p> <p>(b) the fair valuation of shares done by a SEBI registered Category - I Merchant Banker or a Chartered Accountant as per the discounted free cash flow method, where the shares of the company is <b>not listed</b> on any recognised stock exchange in India ; and</p> <p>(c) the price as applicable to transfer of shares from resident to non-resident as per the pricing guidelines laid down by the Reserve Bank from time to time, where the issue of shares is on preferential allotment.</p>	<p><b>Issue of Shares to non-residents</b></p> <p>Price of shares issued to persons resident outside India under this Schedule, shall not be less than</p> <p><b>No Change in existing clause (a)</b></p> <p>(b) the fair valuation of shares done as per any internationally accepted pricing methodology for valuation of shares on arm's length basis, duly certified by a Chartered Accountant or a SEBI registered Merchant Banker where the shares of the company are <b>not listed</b> on any recognised stock exchange in India</p> <p><b>This provision is omitted</b></p>
2.	<b>Transfer of Shares</b>	<b>Transfer by Resident to Non-resident</b> (i.e. to foreign national, NRI, FII and incorporated non-resident entity other than erstwhile	<b>Transfer by Resident to Non-resident</b> (i.e. to foreign national, NRI, FII, QFI, RFPI and incorporated non-resident entity

		<p>OCB)</p> <p>(a) where shares of an Indian company are listed on a recognized stock exchange in India, the price of shares transferred by way of sale shall not be less than the price at which a preferential allotment of shares can be made under the SEBI Guidelines, as applicable, provided that the same is determined for such duration as specified therein, preceding the relevant date, which shall be the date of purchase or sale of shares.</p> <p>(b) where the shares of an Indian company are not listed on a recognized stock exchange in India, the transfer of shares shall be at a price not less than the fair value to be determined by a SEBI registered Category – I - Merchant Banker or a Chartered Accountant as per the discounted free cash flow method.</p> <p>The price per share arrived at should be certified by a SEBI registered Category-I-Merchant Banker / Chartered Accountant.</p>	<p>other than erstwhile OCB)</p> <p><b>No Change in the existing clause (a)</b></p> <p>(b) where the shares of an Indian company are not listed on a recognized stock exchange in India, the transfer of shares shall be at a price not less than the fair value worked out as per any internationally accepted pricing methodology for valuation of shares on arm's length basis which should be duly certified by a Chartered Accountant or a SEBI registered Merchant Banker.</p>
3.	Transfer Shares of	<p><b>Transfer by Non-resident</b> (i.e. by incorporated non-resident entity, erstwhile OCB, foreign national, NRI and FII) <b>to Resident</b></p> <p>Price of shares transferred by way of sale, by non-resident to resident shall not be more than the minimum price at which the transfer of shares can be made from a resident to a non-resident as given in para 2 above.</p>	<p><b>Transfer by Non-resident</b> (i.e. by incorporated non-resident entity, erstwhile OCB, foreign national, NRI, FII, QFI and RFPI) <b>to Resident</b></p> <p><b>No Change in the existing clause</b></p>

**Annex 2**

**(A.P. (DIR Series) Circular No.4 dated 15.07.2014 )**

<b>c.f. Annex to A.P.(DIR Series) Circular No. 86 dated January 9, 2014</b>	<b>Earlier condition</b>	<b>Revised condition</b>
Para 2(b)	<p>(ii) In case of unlisted company, the non-resident investor shall be eligible to exit from the investment in equity shares of the investee company at a price not exceeding that arrived at on the basis of Return on Equity (RoE) as per the latest audited balance sheet. Any agreement permitting return linked to equity as above shall not be treated as violation of FDI policy/FEMA Regulations.</p> <p><i>Note: For the above purpose, RoE shall mean Profit After Tax / Net Worth; Net Worth would include all free reserves and paid up capital.</i></p> <p>(iii) Investments in Compulsorily Convertible Debentures (CCDs) and Compulsorily Convertible Preference Shares (CCPS) of an investee company may be transferred at a price worked out as per any internationally accepted pricing methodology at the time of exit duly certified by a Chartered Accountant or a SEBI registered Merchant Banker. The guiding principle would be that the non-resident investor is not guaranteed any assured exit price at the time of making such investment/agreement and shall exit at the price prevailing at the time of exit, subject to lock-in period requirement, as applicable.</p>	<p>(ii) In case of an unlisted company, the non-resident investor shall be eligible to exit from the investment in equity shares, Compulsorily Convertible Debentures (CCDs) and Compulsorily Convertible Preference Shares (CCPS) of the investee company at a price not exceeding that arrived at as per any internationally accepted pricing methodology on arm's length basis, duly certified by a Chartered Accountant or a SEBI registered Merchant Banker.</p> <p>The guiding principle would be that the non-resident investor is not guaranteed any assured exit price at the time of making such investment/agreements and shall exit at the fair price computed as above at the time of exit, subject to lock-in period requirement, as applicable.</p>



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

RBI/2014-15/132

July 17, 2014

**A.P. (DIR Series) Circular No.5**

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**Liberalised Remittance Scheme (LRS) for resident individuals-Increase in the limit from USD 75,000 to USD 125,000**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to the guidelines regarding the Liberalised Remittance Scheme (LRS) for Resident Individuals (the Scheme).

2. It was decided vide [A.P.\(DIR Series\) Circular No. 138 dated June 3, 2014](#), to increase the limit to USD 125,000 per financial year (April-March) from USD 75,000. Accordingly, AD Category –I banks have been allowed to remit up to USD 125,000 per financial year, under the Scheme, for any permitted current or capital account transaction or a combination of both. Further, it is clarified that the Scheme can now be used for acquisition of immovable property outside India.

3. All other terms and conditions mentioned in [A.P.\(DIR Series\) Circular No. 64, dated February 4, 2004](#), [A.P.\(DIR Series\) Circular No. 24 dated December 20, 2006](#), [A.P.\(DIR Series\) Circular No.51 dated May 8, 2007](#), [A.P.\(DIR Series\) Circular No.36 dated April 4, 2008](#), [A.P.\(DIR Series\) Circular No.17 and 18 both dated September 16, 2011](#), [A.P.\(DIR Series\) Circular No.106 dated May 23, 2013](#), [A.P.\(DIR Series\) Circular No.24 dated August 14, 2013](#) and [A.P.\(DIR Series\) Circular No. 138 dated June 3, 2014](#), shall remain unchanged.

4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Permissible Capital Account Transaction) (Amendment)

Regulations, 2014 notified vide [Notification No. FEMA 311/2014-RB dated June 24, 2014](#) c.f. G.S.R. No. 488 (E) dated July 11, 2014.

5. AD-Category I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
6. The directions contained in this Circular have been issued under Section 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,

**(C. D. Srinivasan)**  
**Chief General Manager**



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

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**RBI/2014-15/133**

**A.P. (DIR Series) Circular No. 6**

**July 18, 2014**

To

All Category - I Authorised Dealer banks

Madam / Sir,

**Foreign Direct Investment –  
Reporting under FDI Scheme**

Attention of Authorised Dealers Category-I (AD Category - I) banks is invited to the provisions of 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.FEMA20/2000-RB, dated 3<sup>rd</sup> May 2000](#), as amended from time to time.

2. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce and Industry, Government of India has, vide Press Note 4 (2014 Series) dated June 26, 2014 decided to switch over to the National Industrial Classification 2008 (NIC 2008) from the NIC 1987 version, for the purpose of classification of activities under the industrial classification system. In terms of Para 9 (1) B of Schedule I to the FEMA Notification No. 20 dated May 03, 2000 as amended from time to time, Indian companies are required to report the details of the issue of shares, convertible debentures, partly paid shares and warrants in form FC-GPR, to the Regional Office concerned, within 30 days of issue of shares / convertible debentures. In terms of Para 10 of the Schedule ibid, transfer of shares, convertible debentures, partly paid shares and warrants by way of sale from a person resident in India to a person resident outside India or vice versa, are required to be reported by the transferor/transferee resident in India to the AD Bank in form FCTRS, within 60 days from the date of receipt or payment of the amount of consideration. Indian

companies are required to report the NIC Codes in the FCGPR and FCTRS forms as per the NIC 2008 version, henceforth.

3. It has also been decided to introduce a uniform State and District code list for reporting of details of foreign direct investment by Indian companies in Form FCGPR. The list can be accessed on the RBI website ([www.rbi.org.in](http://www.rbi.org.in) → FEMA – State and District Code List).

4. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers 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) and is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(B.P.Kanungo)**  
**Principal Chief General Manager**



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

**RBI/2014-15/134**

**A. P. (DIR Series) Circular No. 7**

**July 18, 2014**

To,

All Authorised Dealer Category - I Banks

Dear Sir/ Madam,

**Rupee Drawing Arrangement – Delegation of work to Regional Offices**

Attention of Authorised Dealer Category – I (AD Cat – I) banks is invited to the [A.P. \(DIR Series\) Circular No. 28 \[A. P. \(FL/RL Series\) Circular No. 02\] dated February 6, 2008](#) on Memorandum of Instructions for Opening and Maintenance of Rupee / Foreign Currency Vostro Accounts of Non-resident Exchange Houses, as amended from time to time.

2. As per para (a) of Annex-II of the above mentioned circular, the application for obtaining first time approval to enter into Rupee / Foreign Currency Drawing Arrangements with Exchange Houses needs to be submitted by the AD Cat-I Bank, in the prescribed format, to the Chief General Manager-In-Charge, Foreign Exchange Department, Forex Markets Division, Reserve Bank of India, Central Office, Mumbai - 400001. It has now been decided to delegate the work of granting first time permission to AD Cat-I Banks for entering into Rupee Drawing Arrangement (RDA) with non-resident exchange house to the Regional Offices of the Reserve Bank. Therefore, AD Cat-I Banks willing to enter into Rupee/ Foreign Currency Drawing Arrangement with non-resident exchange house for the first time should submit the application, in the prescribed format, to the respective Regional Office of the Foreign Exchange Department of the Reserve Bank under whose jurisdiction the registered office of the applicant falls. Subsequently, AD Cat-I Banks may enter into RDAs, subject to the prescribed guidelines and inform the concerned Regional Office of the Reserve Bank, immediately.

3. As per clause (vii) of para (G) – ‘Reports/ Statements’ of Annex-I of the above mentioned circular, AD Cat-I Banks are required to submit to the Chief General

Manager, Reserve Bank of India, Foreign Exchange Department, Central Office, Forex Markets Division, Mumbai- 400001 by 30th June every year an annual review note covering the period January 1 to December 31 of the previous year, on the vostro accounts of the Exchange Houses maintained by them under the Rupee/ Foreign Currency Drawing Arrangements (RDAs), duly approved by their Board. Henceforth, AD Cat-I Banks should submit the duly approved Annual Review note by 30<sup>th</sup> June every year, to the respective Regional Office of the Foreign Exchange Department of the Reserve Bank under whose jurisdiction the registered office of the applicant falls.

4. All other instructions issued vide [A.P. \(DIR Series\) Circular No. 28 \[A. P. \(FL/RL Series\) Circular No. 02\] dated February 6, 2008](#), as amended from time to time, will remain unchanged.

5. AD Cat-I Banks may bring the contents of this circular to the notice of their constituents concerned.

6. The directions contained in this circular have been issued under Section 10(4) and Section 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,

**(B. P. Kanungo)**  
**Principal Chief General Manager**



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

**RBI/2014-15/135**

**A. P. (DIR Series) Circular No. 8**

**July 18, 2014**

To,

All Authorised Persons, who are Indian Agents under Money Transfer Service Scheme

Dear Sir/ Madam,

**Money Transfer Service Scheme – Delegation of work to Regional Offices**

Attention of Authorised Persons, who are Indian Agents under Money Transfer Service Scheme (MTSS) is invited to the [A.P. \(DIR Series\) Circular No. 89 dated March 12, 2013](#) on Money Transfer Service Scheme – Revised Guidelines, as amended from time to time.

2. As per Annex-I Part-A Section-I Para 3 – ‘Procedure for making Applications to the Reserve Bank’ of the above mentioned circular, the application for necessary permission to act as an Indian Agent under MTSS is required to be made to the Chief General Manager-in-Charge, Forex Markets Division, Foreign Exchange Department, Reserve Bank of India, Central Office, Fort, Mumbai-400 001. It has now been decided to delegate the work related to authorization of Indian Agents to the Regional Offices of the Reserve Bank. Therefore, the application for necessary permission to act as an Indian Agent under MTSS should henceforth be made to the respective Regional Office of the Foreign Exchange Department of the Reserve Bank under whose jurisdiction the registered office of the applicant falls.

3. All other instructions issued vide [A. P. \(DIR Series\) Circular No. 89 dated March 12, 2013](#), as amended from time to time, will remain unchanged.

4. Authorised Persons (Indian Agents) 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 Section 10(4) and Section 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,

**(B. P. Kanungo)**  
**Principal Chief General Manager**



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

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**RBI/2013-14/137**

**A. P. (DIR Series) Circular No.9**

**July 21, 2014**

To,

All Authorised Persons

Madam / Sir,

**Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/ Obligation of Authorised Persons under Prevention of Money Laundering Act (PMLA), 2002 – Money Changing Activities – Recognising E-Aadhaar as an ‘Officially Valid Document’ under PML Rules**

Attention of Authorised Persons is invited to F-Part-II of our [A.P. \(DIR Series\) Circular No.17 \[A.P. \(FL/RL Series\) Circular No.04\]](#) dated November 27, 2009 on the captioned subject, as amended from time to time. F-Part-II of the above mentioned circular lists officially valid documents for customer identification.

2. Authorised Persons are advised that, physical Aadhaar card/ letter issued by the Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number may be accepted as an ‘Officially Valid Document’. If the address provided by the customer is same as that on the Aadhaar letter, it may be accepted as a proof of both identity and address.

3. In order to reduce the risk of identity fraud, document forgery and have paperless KYC verification, UIDAI has launched its e-KYC service. Accordingly, it has been decided to accept e-KYC service as a valid process for KYC verification under Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Further, the information containing demographic details and photographs made available from UIDAI as a result of e-KYC process (“which is in an electronic form and accessible so as to be usable for a subsequent reference”) may be treated as an ‘Officially Valid Document’ under PML Rules. In this connection, it is advised that while using e-KYC service of UIDAI, the individual user has to authorize the UIDAI, by explicit consent, to release her or his identity/address through biometric authentication to the Authorised Persons. The UIDAI then transfers the data of the individual comprising name, age,

gender, and photograph of the individual, electronically, to the Authorised Person, which may be accepted as a valid process for KYC verification. The broad operational instructions to Authorised Persons on Aadhaar e-KYC service are enclosed as Annex.

4. Authorised Persons are advised to have proper infrastructure (as specified in Annex) in place to enable biometric authentication for e-KYC.

5. Further, it is clarified that, Authorised Persons may accept e-Aadhaar downloaded from UIDAI website as an officially valid document subject to the following:

a) If the prospective customer knows only his/her Aadhaar number, the Authorised Person may print the prospective customer's e-Aadhaar letter directly from the UIDAI portal; or adopt e-KYC procedure as mentioned in the para 3 above.

b) If the prospective customer carries a copy of the e-Aadhaar downloaded elsewhere, the Authorised Person may print the prospective customer's e-Aadhaar letter directly from the UIDAI portal; or adopt e-KYC procedure as mentioned in the para 3 above; or confirm identity and address of the resident through simple authentication service of UIDAI.

6. The directions contained in this Circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the, Prevention of Money Laundering Act, (PMLA), 2002, as amended from time to time and are without prejudice to permission /approvals, if any, required under any other law.

Yours faithfully,

**(B. P. Kanungo)**  
**Principal Chief General Manager**

**Operational Procedure to be followed for e-KYC exercise**

The e-KYC service of the UIDAI is leveraged by Authorised Persons through a secured network. Any Authorised Person willing to use the UIDAI e-KYC service is required to sign an agreement with the UIDAI. The process flow to be followed is as follows:

1. Sign KYC User Agency (KUA) agreement with UIDAI to enable the Authorised Person to specifically access e-KYC service.
2. Authorised Persons to deploy hardware and software for deployment of e-KYC service across various delivery channels. These should be Standardisation Testing and Quality Certification (STQC) Institute, Department of Electronics & Information Technology, Government of India certified biometric scanners at Customer Service Points (CSPs) as per UIDAI standards. The list of certified biometric scanners is available on the following website: <http://www.stqc.gov.in>
3. Develop a software application to enable use of e-KYC across various CSPs (including franchisee locations) as per UIDAI defined Application Programming Interface (API) protocols. For this purpose Authorised Persons will have to develop their own software under the broad guidelines of UIDAI. Therefore, the software may differ from Authorised Person to Authorised Person.
4. Define a procedure for obtaining customer authorization to UIDAI for sharing e-KYC data with the Authorised Person. This authorization can be in **physical** (by way of a written explicit consent authorising UIDAI to share his/her Aadhaar data with the Authorised Person/franchisee for the purpose of money changing) /**electronic** form as defined by UIDAI from time to time.
5. Sample process flow would be as follows:
  - a. Customer walks into CSP of an Authorised Person with his/her 12-digit Aadhaar number and explicit consent and requests to avail of money changing facility with Aadhaar based e-KYC.
  - b. Representative of the Authorised Person manning the CSP enters the number into the e-KYC application software of the Authorised Person.

- c. The customer inputs his/her biometrics via a UIDAI compliant biometric reader (e.g. fingerprints on a biometric reader).
- d. The software application captures the Aadhaar number along with biometric data, encrypts this data and sends it to UIDAI's Central Identities Data Repository (CIDR).
- e. The Aadhaar KYC service authenticates customer data. If the Aadhar number does not match with the biometrics, UIDAI server responds with an error with various reason codes depending on type of error (as defined by UIDAI).
- f. If the Aadhaar number matches with the biometrics, UIDAI responds with digitally signed and encrypted demographic information [Name, year/date of birth, Gender, Address, Phone and email (if available)] and photograph. This information is captured by e-KYC application of Authorised Person and processed as needed.
- g. Servers of Authorised Person auto populate the demographic data and photograph in relevant fields. It also records the full audit trail of e-KYC viz. source of information, digital signatures, reference number, original request generation number, machine ID for device used to generate the request, date and time stamp with full trail of message routing, UIDAI encryption date and time stamp, Authorised Person's decryption date and time stamp, etc.
- h. The photograph and demographics of the customer can be seen on the screen of computer at CSPs for reference.
- i. The customer can avail of money changing facility subject to satisfying other necessary requirements.



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

**RBI/2014-15/138**

**A. P. (DIR Series) Circular No.10**

**July 21, 2014**

To,

All Authorised Persons, who are Indian Agents under Money Transfer Service Scheme (MTSS)

Madam / Sir,

**Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT)/ Obligation of Authorised Persons under Prevention of Money Laundering Act (PMLA), 2002 – Money Transfer Service Scheme – Recognising E-Aadhaar as an ‘Officially Valid Document’ under PML Rules**

Attention of Authorised Persons, who are Indian Agents under MTSS (Indian Agents), is invited to [Annex II](#) of our A.P. (DIR Series) Circular No.18 [A.P. (FL/RL Series) Circular No.05] dated November 27, 2009 on the captioned subject, as amended from time to time. Annex-II of the above mentioned circular lists officially valid documents for customer identification.

2. Indian Agents are advised that physical Aadhaar card/ letter issued by the Unique Identification Authority of India (UIDAI) containing details of name, address and Aadhaar number may be accepted as an ‘Officially Valid Document’. If the address provided by the customer is same as that on the Aadhaar letter, it may be accepted as a proof of both identity and address.

3. In order to reduce the risk of identity fraud, document forgery and have paperless KYC verification, UIDAI has launched its e-KYC service. Accordingly, it has been decided to accept e-KYC service as a valid process for KYC verification under Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Further, the information containing demographic details and photographs made available from UIDAI as a result of e-KYC process (“which is in an electronic form and accessible so as to be usable for a subsequent reference”) may be treated as an ‘Officially Valid Document’ under PML Rules. In this connection, it is advised that while using e-KYC service of UIDAI, the individual user has to authorize the UIDAI, by explicit consent, to

release her or his identity/address through biometric authentication to the Indian Agents. The UIDAI then transfers the data of the individual comprising name, age, gender, and photograph of the individual, electronically, to the Indian Agent, which may be accepted as a valid process for KYC verification. The broad operational instructions to Indian Agents on Aadhaar e-KYC service are enclosed as Annex.

4. Indian Agents, are advised to have proper infrastructure (as specified in Annex) in place to enable biometric authentication for e-KYC.

5. Further, it is clarified that, Indian Agents may accept e-Aadhaar downloaded from UIDAI website as an officially valid document subject to the following:

- a) If the prospective customer knows only his/her Aadhaar number, the Indian Agent may print the prospective customer's e-Aadhaar letter directly from the UIDAI portal; or adopt e-KYC procedure as mentioned in the para 3 above.
- b) If the prospective customer carries a copy of the e-Aadhaar downloaded elsewhere, the Indian Agent may print the prospective customer's e-Aadhaar letter directly from the UIDAI portal; or adopt e-KYC procedure as mentioned in the para 3 above; or confirm identity and address of the resident through simple authentication service of UIDAI.

6. The directions contained in this Circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the, Prevention of Money Laundering Act, (PMLA), 2002, as amended from time to time and are without prejudice to permission /approvals, if any, required under any other law.

Yours faithfully,

**(B. P. Kanungo)**  
**Principal Chief General Manager**

## Annex

### **Operational Procedure to be followed for e-KYC exercise**

The e-KYC service of the UIDAI is leveraged by Indian Agents through a secured network. Any Indian Agent willing to use the UIDAI e-KYC service is required to sign an agreement with the UIDAI. The process flow to be followed is as follows:

1. Sign KYC User Agency (KUA) agreement with UIDAI to enable the Indian Agent to specifically access e-KYC service.
2. Indian Agents to deploy hardware and software for deployment of e-KYC service across various delivery channels. These should be Standardisation Testing and Quality Certification (STQC) Institute, Department of Electronics & Information Technology, Government of India certified biometric scanners at Customer Service Points (CSPs) as per UIDAI standards. The list of certified biometric scanners is available on the following site: <http://www.stqc.gov.in>
3. Develop a software application to enable use of e-KYC across various CSPs (including sub agents under MTSS) as per UIDAI defined Application Programming Interface (API) protocols. For this purpose Indian Agents will have to develop their own software under the broad guidelines of UIDAI. Therefore, the software may differ from Indian Agent to Indian Agent.
4. Define a procedure for obtaining customer authorization to UIDAI for sharing e-KYC data with the Indian Agent. This authorization can be in **physical** (by way of a written explicit consent authorising UIDAI to share his/her Aadhaar data with the Indian Agent/ Sub-Agent for the purpose of receiving foreign inward remittance) /**electronic** form as defined by UIDAI from time to time.
5. Sample process flow would be as follows:
  - a. Customer walks into CSP of an Indian Agent with his/her 12-digit Aadhaar number and explicit consent and requests to receive foreign inward remittance with Aadhaar based e-KYC.

- b. Representative of the Indian Agent manning the CSP enters the number into the e-KYC application software of the Indian Agent.
- c. The customer inputs his/her biometrics via a UIDAI compliant biometric reader (e.g. fingerprints on a biometric reader).
- d. The software application captures the Aadhaar number along with biometric data, encrypts this data and sends it to UIDAI's Central Identities Data Repository (CIDR).
- e. The Aadhaar KYC service authenticates customer data. If the Aadhar number does not match with the biometrics, UIDAI server responds with an error with various reason codes depending on type of error (as defined by UIDAI).
- f. If the Aadhaar number matches with the biometrics, UIDAI responds with digitally signed and encrypted demographic information [Name, year/date of birth, Gender, Address, Phone and email (if available)] and photograph. This information is captured by e-KYC application of Indian Agent and processed as needed.
- g. Servers of Indian Agent auto populate the demographic data and photograph in relevant fields. It also records the full audit trail of e-KYC viz. source of information, digital signatures, reference number, original request generation number, machine ID for device used to generate the request, date and time stamp with full trail of message routing, UIDAI encryption date and time stamp, Indian Agent's decryption date and time stamp, etc.
- h. The photograph and demographics of the customer can be seen on the screen of computer at CSPs for reference.
- i. The customer can receive foreign inward remittance through MTSS subject to satisfying other necessary requirements.



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

**RBI/2014-15/141**  
**A.P. (DIR Series) Circular No.11**

**July 22, 2014**

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**Export of Goods and Services – Project Exports**

Attention of Authorised Dealers is invited to Regulation 18 of [Notification No. FEMA 23/2000-RB dated 3rd May 2000](#) viz. Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 in terms of which export of goods or services on deferred payment terms or in execution of a turnkey project or a civil construction contract requires prior approval of the approving authority, which shall consider the proposal in accordance with the guidelines issued by the Reserve Bank from time to time. Further, attention of Authorized Dealers (AD) is also invited to i) [A. P. \(DIR Series\) Circular No. 32 dated October 28, 2003](#) in terms of which Memorandum of Instructions on Project and Service Exports (PEM) had been revised, ii) [A. P. \(DIR Series\) Circular No. 118 dated June 26, 2013](#) in terms of which the time limit to submit form DPX 1 / PEX-1 / TCS-1 for obtaining post-award approval was increased to 30 days of entering into contract and iii) [A. P. \(DIR Series\) Circular No. 51 dated September 20, 2013](#) in terms of which submission of forms DPX1, PEX-1, TCS-1 and DPX-3 to the Regional Office of the Reserve Bank of India (Foreign Exchange Department) within whose jurisdiction the Head Office of the exporter is situated by the Approving Authority (AA), such as, the AD Bank / Exim Bank/ Working Group has been dispensed with. However, submission of these forms to ECGC and Exim Bank where their participatory interests by way of funded / non-funded facilities, insurance /risk cover, etc are involved shall continue.

2. To further liberalise and simplify the procedure, it has been decided as under:

- i) The structure of Working Group (consisting of representatives from Exim bank, ECGC & RBI), which has hitherto been permitted to consider project exports and

deferred service exports proposals for contracts exceeding USD 100 Million in value will now be dispensed with. The AD banks / Exim Bank can now consider awarding post-award approvals without any monetary limit and permit subsequent changes in the terms of post award approval within the relevant FEMA guidelines / regulations. Project and service exporters may accordingly approach AD banks / Exim Bank based on their commercial judgement. The respective AD bank / Exim Bank should monitor the projects for which post-award approval has been granted by them; and

- ii) The stipulation of time limit of 30 days for the exporter undertaking Project Exports and Service contracts abroad to submit form DPX1/ PEX-1 /TCS-1 to the Approving Authority (AA) for seeking post award approval will not apply henceforth.

3. The revised Memorandum of Instructions on Project and Service Exports (PEM) is enclosed.

4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Export of Goods and Services) (Second Amendment) Regulations, 2014 notified vide [Notification No. FEMA 310/2014-RB dated June 12, 2014](#) c.f. G.S.R. No. 434 (E) dated July 8, 2014.

5. Authorised Dealers may bring the revised guidelines in the Memorandum to the notice of their constituents concerned.

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

Yours faithfully,

**(C. D. Srinivasan)**  
**Chief General Manager**

Encl: Revised PEM



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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**RBI/2014-15/144**

**A. P. (DIR Series) Circular No. 12**

**July 23, 2014**

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 41.96 million  
to the Government of the Republic of Senegal**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated December 06, 2013 with the Government of the Republic of Senegal for making available to the latter, a Line of Credit (LOC) of USD 41.96 million (USD Forty one million and nine hundred and sixty thousand) for financing eligible goods, machinery, equipment and services including consultancy services from India for the purpose of financing purchase of setting up of Modern Abattoir, Meat processing, Cold Storage, Rendering and Tannery Plant and Market Place in Senegal. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from June 25, 2014 and the date of execution of Agreement is December 06, 2013. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72

months (December 05, 2019) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(C. D. Srinivasan)**  
**Chief General Manager**



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

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**RBI/2014-15/145**

**A. P. (DIR Series) Circular No. 13**

**July 23, 2014**

To,

All Authorised Persons

Madam/ Sir,

**Foreign investment in India by SEBI registered Long term investors in  
Government dated Securities**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide [Notification No. FEMA.20/2000-RB dated May 3, 2000](#), as amended from time to time, in terms of which SEBI registered Foreign Institutional Investors (FIIs), SEBI registered Qualified Foreign Investors (QFIs) and long term investors registered with SEBI may purchase, on repatriation basis Government securities and non-convertible debentures (NCDs) / bonds issued by an Indian company subject to such terms and conditions as mentioned therein and limits as prescribed for the same by RBI and SEBI from time to time.

2. Attention of AD Category-I banks is also invited to [A.P. \(DIR Series\) Circular No.99 dated January 29, 2014](#) in terms of which the present limit for investments by FIIs, QFIs and long term investors in Government securities stands at USD 30 billion, out of which a sub-limit of USD 10 billion is available for investment by long term investors in Government dated securities.

3. On a review, it has been decided to enhance the investment limit in government securities available to FIIs/QFIs/FPIs by USD 5 billion by correspondingly reducing the amount available to long term investor from USD 10 billion to USD 5 billion within the overall limit of USD 30 billion. The incremental investment limit of USD 5 billion shall be

required to be invested in government bonds with a minimum residual maturity of three years. Further, all future investment against the limit vacated when the current investment by an FII/QFI/FPI runs off either through sale or redemption shall also be required to be made in government bonds with a minimum residual maturity of three years. It is, however, clarified that there will be no lock-in period and FIIs/QFIs/FPIs shall be free to sell the securities (including that are presently held with less than three years of residual maturity) to the domestic investors.

4. The operational guidelines in this regard will be issued by SEBI.
5. All other existing conditions for investment in Government securities remain unchanged.
6. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
7. 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,

**(B.P.Kanungo)**  
**Principal Chief General Manager**



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

**RBI/2014-15/147  
A.P. (DIR Series) Circular No.14**

**July 25, 2014**

To

All Authorised Persons

Madam/ Sir,

**Issue of Prepaid Forex Cards- Due Diligence and Adherence to KYC norms**

Attention of all the Authorised Persons in foreign exchange is invited to Para 2 of the [A. P. \(DIR Series\) Circular No. 104 dated April 04, 2012.](#)

2. It has been brought to our notice that some authorised dealers / full-fledged money changers may neither be exercising due diligence nor adhering to KYC norms while selling prepaid foreign currency cards (issued by a few select banks) to their customers.

3. In this connection, it is clarified that prepaid foreign currency cards are a form of foreign currency, similar to foreign currency notes or travellers cheques. As such, the authorised dealers/FFMCs selling pre-paid foreign currency cards for travel purposes are required to comply with the same rigorous standards of due diligence and KYC as they would in case they were selling foreign currency notes/travellers cheques to their customers.

4. The directions contained in this Circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999), as amended from time to time and are without prejudice to permission/approvals, if any, required under any other law.

Yours faithfully,

**(C. D. Srinivasan)  
Chief General Manager**



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

**RBI/2014-15/151**  
**A.P. (DIR Series) Circular No. 15**

July 28, 2014

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Compilation of R-return: Reporting under FETERS-  
Discontinuation of ENC and Sch 3 to 6 file**

Attention of Authorised Dealers is invited to [A. P. \(DIR Series\) Circular No. 101 dated February 04, 2014](#) read with [A.P. \(DIR Series\) Circular No.109 dated February 28, 2014](#) in terms of which a comprehensive IT- based system called Export Data Processing and Monitoring System (EDPMS) has been operationalised with effect from March 01, 2014 and facilitating AD banks to report various returns through a single platform.

2. It is advised that ENC and Sch. 3 to 6 file submitted under FETERS will be discontinued with effect from first fortnight of September 2014 as the information contained in these returns are available through EDPMS. AD banks should ensure to report all the ENC and Sch.3to6 transaction data for which export shipping bills/invoices are generated prior to march 01, 2014 by August 31, 2014. In exceptional cases after August 31, 2014, the same data may be submitted after seeking technical support from RBI at [email](#).

3. With effect from first fortnight of September 2014, only two files (Viz. BOP6 file and QE file) need to be submitted under FETERS and other guidelines relating to FETERS data submission laid in A.P. (DIR Series) Circular No. 84 dated February 29, 2012 will remain unchanged.

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

Yours faithfully,

**(B.P.Kanungo)**  
**Principal Chief General Manager**



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

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**RBI/2014-15/152**

**A.P. (DIR Series) Circular No.16**

**July 28, 2014**

To,

All Category - I Authorized Dealer Banks

Madam / Sir,

**Trade Credits for Imports into India — Review of all-in-cost ceiling**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 122 dated April 10, 2014](#) relating to the all-in-cost ceiling of Trade Credits for imports into India.

2. On a review it has been decided that the all-in-cost ceiling as specified under paragraph 4 of [A.P. \(DIR Series\) Circular No.28 dated September 11, 2012](#) will continue to be applicable till December 31, 2014 and is subject to review thereafter.
3. All other aspects of Trade Credit policy remain unchanged. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
4. 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,

(B. P. Kanungo)  
**Principal Chief General Manager**



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

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**RBI/2014-15/153**

**A.P. (DIR Series) Circular No.17**

**July 28, 2014**

To,

All Category - I Authorized Dealer Banks

Madam / Sir,

**External Commercial Borrowing (ECB) Policy — Review of all-in-cost ceiling**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 121 dated April 10, 2014](#) relating to the all-in-cost ceiling for ECB.

2. On a review, it has been decided that the all-in-cost ceiling as specified under paragraph 2 of [A.P. \(DIR Series\) Circular No. 99 dated March 30, 2012](#) will continue to be applicable till December 31, 2014 and is subject to review thereafter. All other aspects of ECB policy remain unchanged.
3. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
4. 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,

(B. P. Kanungo)  
Principal Chief General Manager



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

**RBI/2014-15/154**

**A. P. (DIR Series) Circular No. 18**

**July 30, 2014**

To,

All Authorised Persons

Madam/ Sir,

**Constitution of Special Investigating Team – sharing of information**

In pursuance of the Hon'ble Supreme Court Judgment dated July 4, 2011, Government of India has constituted a Special Investigation Team (SIT) under the Chairmanship of Hon'ble Justice M.B. Shah. In this regard, the Hon'ble Supreme Court has directed that:

*"All organs agencies, departments and agents of the State, whether at the level of the Union of India, or the State Government, including but not limited to all statutorily formed individual bodies, and other constitutional bodies extend all the cooperation necessary for the functioning of the Special Investigation Team.*

*The Union of India and where needed the State Government will facilitate the conduct of the investigations, in their fullest measures, by the Special Investigation Team and functioning, by extending all necessary financial, material, legal, diplomatic and intelligence resources, whether such investigations or portions of such investigations occur inside the country or abroad."*

2. In view of the above, all Authorised Persons are advised to ensure that information/documents required by the SIT are made available, as and when required.
3. The directions contained in this Circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999), as amended from time to time and are without prejudice to permission /approvals, if any, required under any other law.

Yours faithfully,

**(B. P. Kanungo)**  
**Principal Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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**RBI/2014-15/171**  
**A. P. (DIR Series) Circular No. 19**

**August 11, 2014**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Liberalised Remittance Scheme for resident individuals-clarification**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 5 dated July 17, 2014](#), in terms of which it was clarified that the Scheme can also be used for acquisition of immovable property outside India.

2. In the light of the above clarification, the requirement of post facto reporting stipulated in terms of A.P. (DIR Series) Circular No.32 dated September 04, 2013, (Sr. no. 4 of [Annexure](#) to the Circular) stands withdrawn.
  
3. The directions contained in this Circular have been issued under Section 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,

**(C. D. Srinivasan)**  
**Chief General Manager**



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

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RBI/2013-14/ 172

August 12, 2014

**A.P. (DIR Series) Circular No.20**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Deferred Payment Protocols dated April 30, 1981 and December 23, 1985  
between Government of India and erstwhile USSR**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 134 dated May 26, 2014](#) wherein the Rupee value of the Special Currency Basket was indicated as Rs. 80.603699 effective from May 21, 2014.

2. AD Category-I banks are advised that a further revision has taken place on August 07, 2014 and accordingly, the Rupee value of the Special Currency Basket has been fixed at Rs.83.137417 with effect from August 12, 2014
3. AD Category-I banks may bring the contents of this Circular to the notice of their constituents concerned.
4. The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(C D Srinivasan)  
Chief General Manager**



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

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RBI/2014-15/ 196

August 27, 2014

**A.P. (DIR Series) Circular No.21**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Refinancing of ECB at lower all-in-cost – Simplification of procedure**

Attention of Authorized Dealer Category - I (AD Category - I) banks is invited to [A.P. \(DIR Series\) Circular No. 5 dated August 01, 2005](#) as amended from time to time in terms of which refinancing of existing ECB by raising fresh ECB at lower all-in-cost is permitted subject to the condition that the outstanding maturity of the original loan is maintained. The cases, where the Average Maturity Period (AMP) of the fresh ECB is more than the residual maturity of existing ECB, are examined by the Reserve Bank under the approval route.

2. On a review, it has been decided to simplify the procedure by delegating powers to the AD Category – I banks to approve even those cases where the AMP of the fresh ECB is exceeding the residual maturity of the existing ECB under the automatic route subject to the following conditions:

- i. Both the existing and fresh ECBs should be in compliance with the applicable guidelines;
- ii. All-in-cost of fresh ECB should be less than that of the all-in-cost of existing ECB;
- iii. Consent of the existing lender is available;
- iv. Refinancing is to be undertaken before the maturity of the existing ECB;
- v. Borrower should not be in the default / Caution List of RBI and should not be under the investigation of the Directorate of Enforcement (DoE);

- vi. Overseas branches / subsidiaries of Indian banks will not be permitted to extend ECB for refinancing an existing ECB; and
  - vii. All requirements in respect of reporting arrangements like filing of revised Form 83, etc. are followed.
3. This facility will be available even in those cases where existing ECBs were raised under the approval route subject to the amount of new ECBs being eligible to be raised under the automatic route.
4. All other aspects of the ECB policy like eligible borrower, recognized lender, permitted end-use, amount of ECB, all-in-cost, average maturity period, reporting arrangements, etc. shall remain unchanged.
5. The modification to the ECB policy will come into force with immediate effect.
6. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers.
7. 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

**(B. P. Kanungo)  
Principal Chief General Manager**



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

RBI/2014-15/197  
A.P. (DIR Series) Circular No.22

**August 28, 2014**

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**Purchase and sale of securities other than shares or convertible debentures  
of an Indian company by a person resident outside India**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (the Principal Regulations) notified vide [Notification No. FEMA.20/2000-RB dated May 3, 2000](#), as amended from time to time, in terms of which, eligible investors, viz., SEBI registered Foreign Institutional Investors (FIIs), Qualified Foreign Investors (QFIs), registered Foreign Portfolio Investors (RFPIs) and long term investors registered with SEBI, may purchase eligible government securities directly from the issuer of such securities or through registered stock broker on a recognised Stock Exchange in India, subject to such terms and conditions as mentioned therein and limits as prescribed for the same by RBI and SEBI from time to time.

2. With a view to providing flexibility in regard to the manner in which government securities can be acquired by eligible investors, it has now been decided to remove any stipulation as to the manner of acquisition from the said Regulations. Consequently, the eligible investors can acquire such securities in any manner as per the prevalent/approved market practice.

3. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers.
4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Eleventh Amendment) Regulations, 2014 notified vide [Notification No. FEMA. 313/2014-RB dated July 2, 2014](#) c.f. G.S.R. No.487 (E) dated July 11, 2014.
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) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(B.P. Kanungo)**  
**Principal Chief General Manager**



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

RBI/2014-15/204

September 2, 2014

**A.P. (DIR Series) Circular No.23**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Three divisions of Foreign Exchange Department shifted to  
FED CO Cell at New Delhi**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to the [Press Release dated June 17, 2014](#) which mentions the shifting of three divisions of Foreign Investment Division (FID) viz. Liaison/Branch/Project Office (LO/BO/PO) Division, Non Resident Foreign Account Division (NRFAD) and Immovable Property (IP) Division to New Delhi with effect from July 15, 2014. The address for correspondence for the three divisions is FED, CO Cell, Foreign Exchange Department, Reserve Bank of India, New Delhi Regional Office, 6, Parliament Street, New Delhi - 110 001, India.

2. Attention is also invited to [A.P \(DIR Series\) Circular No 106 dated February 18, 2014](#) in terms of which AD - Category I banks are required to furnish on a monthly basis, a statement on the number of applicants and total amount remitted from NRO account, as per proforma annexed, to the Chief General Manager-in-Charge, Foreign Exchange Department, Foreign Investments Division (NRFAD), Reserve Bank of India, Central Office, Mumbai-400001 within 7 days of the end of the reporting month.

3. Attention is also invited to Para 5(ii) and Para 5(iii) of [A.P \(DIR Series\) Circular No 24 dated December 30, 2009](#) in terms of which A.D Category-I banks are required to report (i) the extension of validity of the Liaison Offices to the Regional Office concerned as well as to the Central Office, and (ii) closure of the Liaison

Offices to the concerned Regional Office and closure of Branch Offices to the Central Office.

4. It is advised that all cases pertaining to these three divisions and the monthly statements as per circulars ibid/reporting for extension or closure of LOs/BOs shall be sent to the FED CO Cell at the address mentioned above. Reporting, by email, for NRFAD shall continue at the same email address.

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

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 is without prejudice to permissions / approvals, if any, required under any other law.

**Yours faithfully,**

**(C D Srinivasan)  
Chief General Manager**



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

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RBI/2014-15/205

**September 2, 2014**

**A.P. (DIR Series) Circular No.24**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 89.90 million  
to the Government of the Republic of Congo**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated March 09, 2014 with the Government of the Republic of Congo for making available to the latter, a Line of Credit (LOC) of USD 89.90 million ( USD Eighty Nine million and Nine Hundred Thousand) for financing eligible goods, machinery, equipment and services including consultancy services from India for the purpose of financing Development of Transportation system in Congo. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from August 08, 2014 and the date of execution of Agreement is March 09, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72 months (March 08, 2020) from the execution date of the Credit Agreement in the case of other supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

**Yours faithfully,**

**(C D Srinivasan)**  
**Chief General Manager**



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

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RBI/2014-15/207

September 3, 2014

**A.P. (DIR Series) Circular No.25**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**External Commercial Borrowings (ECB) in Indian Rupees**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to Regulation 6 of [Notification No. FEMA.3/2000-RB dated May 03, 2000](#) in terms of which persons resident in India may raise foreign currency loans from non-residents in accordance with the provisions contained in this Notification. Their attention is also invited to paragraph 2(ii)(a) of [AP \(DIR Series\) Circular No. 27 dated September 23, 2011](#) in terms of which all eligible borrowers are eligible to raise ECB in Indian Rupees from foreign equity holders as per the extant ECB guidelines.

2. With a view to providing greater flexibility for structuring of ECB arrangements, it has been decided that recognised non-resident ECB lenders may extend loans in Indian Rupees subject to the following conditions:

- a. The lender should mobilise Indian Rupees through swaps undertaken with an Authorised Dealer Category-I bank in India.
- b. The ECB contract should comply with all other conditions applicable to the automatic and approval routes as the case may be.
- c. The all-in-cost of such ECBs should be commensurate with prevailing market conditions.

3. For the purpose of executing swaps for ECBs denominated in Indian Rupees, the recognised ECB lender, if it desires, may set up a representative office in India following the prescribed laid down process.
4. It may be noted that the hedging arrangement for ECBs denominated in Indian Rupees extended by non-resident equity-holders shall continue to be governed by the provisions of [AP \(DIR Series\) Circular No. 63 dated December 29, 2011.](#)
5. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.
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

**B P Kanungo  
Principal Chief General Manager**



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

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RBI/2014-15/214

**September 5, 2014**

**A.P. (DIR Series) Circular No.26**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 26.50 million  
to the Government of the Republic of Honduras**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated January 15, 2014 with the Government of the Republic of Honduras for making available to the latter, a Line of Credit (LOC) of USD 26.50 million (USD Twenty six million and five Hundred Thousand) for financing eligible goods, machinery, equipment and services from India for the purpose of financing Development of Agriculture and Irrigation Infrastructure in the Jamastran Valley in Honduras. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from August 13, 2014 and the date of execution of Agreement is January 15, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the

scheduled completion date(s) of contract(s) in the case of project exports and 72 months (January 14, 2020) from the execution date of the Credit Agreement in the case of other supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(C. D. Srinivasan)  
Chief General Manager**



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

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RBI/2014-15/ 215

**September 5, 2014**

**A.P. (DIR Series) Circular No.27**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 18 million  
to the Government of the Republic of Mauritius**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated May 05, 2014 with the Government of the Republic of Mauritius for making available to the latter, a Line of Credit (LOC) of USD 18 million ( USD Eighteen million) for financing eligible goods, machinery, equipment and services including consultancy services from India for the purpose of financing acquisition of Waterjet Fast Attack Craft by Mauritius. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from July 28, 2014 and the date of execution of Agreement is May 05, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the

scheduled completion date(s) of contract(s) in the case of project exports and 72 months (May 04, 2020) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

(C. D. Srinivasan)  
Chief General Manager



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

**RBI/2014-15/216  
A.P. (DIR Series) Circular No.28**

**September 8, 2014**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Risk Management and Inter Bank Dealings: Hedging Facilities for Foreign Portfolio Investors (FPIs)**

Attention of Authorised Dealers Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 ([Notification No. FEMA.25/RB-2000 dated May 3, 2000](#)) as amended from time to time and [A.P. \(DIR Series\) Circular no. 32 dated December 28, 2010](#).

2. Under the extant regulations, Foreign Portfolio Investors (FPIs) are allowed to approach any AD Category I bank for hedging their currency risk on the market value of entire investment in equity and/or debt in India as on a particular date subject to certain conditions as specified in [A.P. \(DIR Series\) Circular No. 32 dated December 28, 2010](#) as amended from time to time.

3. In order to enhance the hedging facilities for the FPIs holding securities under the Portfolio Investment Scheme (PIS) in terms of schedules 2, 2A, 5, and 8 of 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](#)) as amended from time to time, as announced in the Monetary Policy Statement of April 1, 2014, it has been decided to permit FPIs to hedge the coupon receipts arising out of their investments in debt securities in India falling due during

the following twelve months subject to the condition that the hedge contracts shall not be eligible for rebooking on cancellation. The contracts can however be rolled over on maturity provided the relative coupon amount is yet to be received.

4. All other regulations and guidelines issued under FEMA, 1999 relating to investment in debt securities and hedging facilities for non resident investors including FPIs shall remain unchanged.
5. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers.
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,

**(C. D. Srinivasan)**  
**Chief General Manager**



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

RBI/2014-15/234  
A.P. (DIR Series) Circular No.31

September 17, 2014

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Foreign Direct Investment (FDI) in India - Issue of equity shares under the  
FDI Scheme against legitimate dues**

Attention of Authorised Dealers Category – I (AD Category - I) banks is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified vide [Notification No. FEMA 20/2000-RB dated May 3, 2000](#), as amended from time to time, [A.P. \(DIR Series\) Circular No. 15 dated October 1, 2004](#), and [Notification No. FEMA 242/2012- RB Dated October 19, 2012](#).

2. In terms of paragraph 2(4) of the Schedule 1 of the Notification, ibid, an Indian company under the automatic route may issue shares/convertible debentures to a person resident outside India against lump-sum technical know-how fee, royalty External Commercial Borrowings (ECBs) (other than import dues deemed as ECB or Trade Credit as per RBI guidelines) and import payables of capital goods by units in Special Economic Zones subject to certain conditions like entry route, sectoral cap, pricing guidelines and compliance with the applicable tax laws.

3. The extant guidelines for issue of shares/convertible debentures under the automatic route have been reviewed in consultation with the Government of India and, accordingly, it has been decided to permit issue of equity shares against any other funds payable by the investee company, remittance of which does not require prior permission of the Government of India or Reserve Bank of India under FEMA, 1999 or any rules/ regulations framed or directions issued thereunder, provided that:

- i. The equity shares shall be issued in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time;

Explanation: Issue of shares/convertible debentures that require Government approval in terms of paragraph 3 of Schedule 1 of FEMA 20 or import dues deemed as ECB or trade credit or payable against import of second hand machinery shall continue to be dealt in accordance with extant guidelines;

- ii. The issue of equity shares under this provision shall be subject to tax laws as applicable to the funds payable and the conversion to equity should be net of applicable taxes.

4. All the other conditions for issuance of equity shares under the automatic route (c.f. paragraph 2(4) (i) (ii) (iii) of schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000) and Government approval route [c.f. paragraph 3 of schedule 1 of Notification No. FEMA 20/2000-RB dated May 3, 2000] shall remain unchanged.

5. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. Reserve Bank has since amended the subject Regulations accordingly through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Twelfth Amendment) Regulations, 2014 which have been notified vide [Notification No. FEMA.315/2014-RB dated July 10, 2014](#), vide G.S.R. No.632 dated September 2, 2014.

7. 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

**(B.P.Kanungo)**  
**Principal Chief General Manager**



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

RBI/2014-15/234  
A.P. (DIR Series) Circular No.31

September 17, 2014

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Foreign Direct Investment (FDI) in India - Issue of equity shares under the  
FDI Scheme against legitimate dues**

Attention of Authorised Dealers Category – I (AD Category - I) banks is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified vide [Notification No. FEMA 20/2000-RB dated May 3, 2000](#), as amended from time to time, [A.P. \(DIR Series\) Circular No. 15 dated October 1, 2004](#), and [Notification No. FEMA 242/2012- RB Dated October 19, 2012](#).

2. In terms of paragraph 2(4) of the Schedule 1 of the Notification, ibid, an Indian company under the automatic route may issue shares/convertible debentures to a person resident outside India against lump-sum technical know-how fee, royalty External Commercial Borrowings (ECBs) (other than import dues deemed as ECB or Trade Credit as per RBI guidelines) and import payables of capital goods by units in Special Economic Zones subject to certain conditions like entry route, sectoral cap, pricing guidelines and compliance with the applicable tax laws.

3. The extant guidelines for issue of shares/convertible debentures under the automatic route have been reviewed in consultation with the Government of India and, accordingly, it has been decided to permit issue of equity shares against any other funds payable by the investee company, remittance of which does not require prior permission of the Government of India or Reserve Bank of India under FEMA, 1999 or any rules/ regulations framed or directions issued thereunder, provided that:

- i. The equity shares shall be issued in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time;

Explanation: Issue of shares/convertible debentures that require Government approval in terms of paragraph 3 of Schedule 1 of FEMA 20 or import dues deemed as ECB or trade credit or payable against import of second hand machinery shall continue to be dealt in accordance with extant guidelines;

- ii. The issue of equity shares under this provision shall be subject to tax laws as applicable to the funds payable and the conversion to equity should be net of applicable taxes.

4. All the other conditions for issuance of equity shares under the automatic route (c.f. paragraph 2(4) (i) (ii) (iii) of schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000) and Government approval route [c.f. paragraph 3 of schedule 1 of Notification No. FEMA 20/2000-RB dated May 3, 2000] shall remain unchanged.

5. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. Reserve Bank has since amended the subject Regulations accordingly through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Twelfth Amendment) Regulations, 2014 which have been notified vide [Notification No. FEMA.315/2014-RB dated July 10, 2014](#), vide G.S.R. No.632 dated September 2, 2014.

7. 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

**(B.P.Kanungo)**  
**Principal Chief General Manager**



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

RBI/2014-15/234  
A.P. (DIR Series) Circular No.31

September 17, 2014

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Foreign Direct Investment (FDI) in India - Issue of equity shares under the  
FDI Scheme against legitimate dues**

Attention of Authorised Dealers Category – I (AD Category - I) banks is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified vide [Notification No. FEMA 20/2000-RB dated May 3, 2000](#), as amended from time to time, [A.P. \(DIR Series\) Circular No. 15 dated October 1, 2004](#), and [Notification No. FEMA 242/2012- RB Dated October 19, 2012](#).

2. In terms of paragraph 2(4) of the Schedule 1 of the Notification, ibid, an Indian company under the automatic route may issue shares/convertible debentures to a person resident outside India against lump-sum technical know-how fee, royalty External Commercial Borrowings (ECBs) (other than import dues deemed as ECB or Trade Credit as per RBI guidelines) and import payables of capital goods by units in Special Economic Zones subject to certain conditions like entry route, sectoral cap, pricing guidelines and compliance with the applicable tax laws.

3. The extant guidelines for issue of shares/convertible debentures under the automatic route have been reviewed in consultation with the Government of India and, accordingly, it has been decided to permit issue of equity shares against any other funds payable by the investee company, remittance of which does not require prior permission of the Government of India or Reserve Bank of India under FEMA, 1999 or any rules/ regulations framed or directions issued thereunder, provided that:

- i. The equity shares shall be issued in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time;

Explanation: Issue of shares/convertible debentures that require Government approval in terms of paragraph 3 of Schedule 1 of FEMA 20 or import dues deemed as ECB or trade credit or payable against import of second hand machinery shall continue to be dealt in accordance with extant guidelines;

- ii. The issue of equity shares under this provision shall be subject to tax laws as applicable to the funds payable and the conversion to equity should be net of applicable taxes.

4. All the other conditions for issuance of equity shares under the automatic route (c.f. paragraph 2(4) (i) (ii) (iii) of schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000) and Government approval route [c.f. paragraph 3 of schedule 1 of Notification No. FEMA 20/2000-RB dated May 3, 2000] shall remain unchanged.

5. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. Reserve Bank has since amended the subject Regulations accordingly through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Twelfth Amendment) Regulations, 2014 which have been notified vide [Notification No. FEMA.315/2014-RB dated July 10, 2014](#), vide G.S.R. No.632 dated September 2, 2014.

7. 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

**(B.P.Kanungo)**  
**Principal Chief General Manager**



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

RBI/2014-15/240

**September 24, 2014**

**A.P. (DIR Series) Circular No.32**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 30 million  
to the Government of the Republic of Togo**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated June 20, 2014 with the Government of the Republic of Togo for making available to the latter, a Line of Credit (LOC) of USD 30 million (USD Thirty million) for financing eligible goods, machinery, equipment and services including consultancy services (including Preparation of Detailed Project Report) from India for the purpose of financing rural electrification project to cover 150 localities in Togo. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from August 21, 2014 and the date of execution of Agreement is June 20, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72 months (June 19, 2020) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(C D Srinivasan)**  
**Chief General Manager**



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

**RBI/2014-15/242  
A.P. (DIR Series) Circular No.33**

**September 25, 2014**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 52 million  
to the Government of the Republic of Togo**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated June 20, 2014 with the Government of the Republic of Togo for making available to the latter, a Line of Credit (LOC) of USD 52 million (USD Fifty two million) for financing eligible goods, machinery, equipment and services including consultancy services (including Preparation of Detailed Project Report) from India for the purpose of financing setting up of 161 KV power transmission line in Togo. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from September 16, 2014 and the date of execution of Agreement is June 20, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72 months (June 19, 2020) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(C D Srinivasan)**  
**Chief General Manager**



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

**RBI/2014-15/250**

Sep 30, 2014

**A.P. (DIR Series) Circular No. 34**

To

All Category – I Authorised Dealer Banks

Madam / Sir,

**Risk Management and Inter Bank Dealings  
: Hedging under Past Performance Route**

Attention of Authorised Dealers Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 ([Notification No. FEMA/25/RB-2000 dated May 3, 2000](#)) as amended from time to time and [A.P. \(DIR Series\) circular no. 58 dated December 15, 2011](#), as amended from time to time, and [A.P. \(DIR Series\) circular no. 135 dated May 27, 2014](#).

2. Under the extant guidelines relating to hedging of currency risk of probable exposures based on past performance, resident importers are allowed to book contracts up to 50 per cent of the eligible limit. The eligible limit is computed as the average of the previous three financial years' import turnover or the previous year's actual import turnover, whichever is higher.
  
3. On a review of the evolving market conditions and with a view to bringing at par both exporters and importers for hedging of currency risk of probable exposures based on past performance, it has been decided to allow importers to book forward contracts, under the past performance route, up to 100 per cent of the eligible limit. Importers who have already booked contracts up to previous limit of 50 per cent in the current financial year, shall be eligible for difference arising out of the enhanced

limits. All other operational guidelines, terms and conditions shall apply mutatis mutandis.

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

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) and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully

**(C D Srinivasan)**  
**Chief General Manager**



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

**RBI/2014-15/257**

**A. P. (DIR Series) Circular No.35**

**October 9, 2014**

To,

All Authorised Dealer Category - I Banks

Madam / Sir,

**Memorandum of Instructions for Opening and Maintenance of Rupee / Foreign Currency Vostro Accounts of Non-resident Exchange Houses**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to the [A.P. \(DIR Series\) Circular No. 28 \[A. P. \(FL/RL Series\) Circular No. 02\] dated February 6, 2008](#) and the [Annex](#) to the A.P. (DIR Series) Circular No 88 dated January 9, 2014 on the captioned subject, as amended from time to time.

2. It has been decided to permit remittances to the Prime Minister's National Relief Fund through the Exchange Houses subject to the condition that the remittances are directly credited to the Fund by the banks and the banks maintain full details of the remitters.
3. Accordingly, the Annex to the A.P. (DIR Series) Circular No 88 dated January 9, 2014, listing the permissible transactions has been modified and appended hereto. All other instructions issued vide A.P. (DIR Series) Circular No. 28 [A. P. (FL/RL Series) Circular No. 02] dated February 6, 2008, as amended from time to time, will remain unchanged.
4. AD Category - I banks 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 Section 10(4) and Section 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,  
**(B P Kanungo)**  
**Principal Chief General Manager**

## Annex

<b>Earlier guidelines under Part (B) Permitted Transactions of Annex to A.P.(DIR Series) Circular No.88 dated January 9, 2014</b>	<b>Revised guidelines under Part (B) Permitted Transactions of Annex</b>
<p>Drawing Arrangements with Exchange Houses are primarily designed to channel inward personal remittances. Under no circumstances, donations / contributions to charitable institutions should be routed through the Exchange Houses. The following is the list of permissible transactions under Drawing Arrangements with Exchange Houses.</p> <ol style="list-style-type: none"> <li>1. Credit to Non-resident (External) Rupee accounts maintained by Non-resident Indians in Indian Rupees.</li> <li>2. Payments to families of Non-resident Indians.</li> <li>3. Payments in favour of Insurance companies, Mutual Funds and the Post Master for premia / investments.</li> <li>4. Payments in favour of bankers for investments in shares, debentures.</li> <li>5. Payment to Coop. Housing Societies, Govt. Housing Schemes or Estate Developers for acquisition of residential flats in India in individual names subject to compliance of regulations thereof by the Non-resident Indians.</li> <li>6. Payments of tuition/ boarding, examination fee etc. to schools, colleges and other educational institutions.</li> <li>7. Payments to medical institutions and hospitals for medical treatment of NRIs /</li> </ol>	<p>Drawing Arrangements with Exchange Houses are primarily designed to channel inward personal remittances. Under no circumstances, donations / contributions to charitable institutions should be routed through the Exchange Houses. The following is the list of permissible transactions under Drawing Arrangements with Exchange Houses.</p> <ol style="list-style-type: none"> <li>1. Credit to Non-resident (External) Rupee accounts maintained by Non-resident Indians in Indian Rupees.</li> <li>2. Payments to families of Non-resident Indians.</li> <li>3. Payments in favour of Insurance companies, Mutual Funds and the Post Master for premia / investments.</li> <li>4. Payments in favour of bankers for investments in shares, debentures.</li> <li>5. Payment to Coop. Housing Societies, Govt. Housing Schemes or Estate Developers for acquisition of residential flats in India in individual names subject to compliance of regulations thereof by the Non-resident Indians.</li> <li>6. Payments of tuition/ boarding, examination fee etc. to schools, colleges and other educational institutions.</li> <li>7. Payments to medical institutions and hospitals for medical treatment of NRIs /</li> </ol>

<p>their dependents and nationals of Gulf Countries in India.</p> <p>8. Payments to hotels by nationals of Gulf countries / NRIs for their stay.</p> <p>9. Payments to travel agents for booking of passages of NRIs and their families residing in India towards their travel in India by domestic airlines / rail, etc.</p> <p>10. Trade transactions up to Rs. 2 lakh per transaction.</p> <p>11. Payments to utility service providers in India, for services such as water supply, electricity supply, telephone (except for mobile top-ups), internet, television etc.</p> <p>12. Tax payments in India</p> <p>13. EMI payments in India to Banks and Non-Banking Financial Companies (NBFCs) for repayment of loans.</p>	<p>their dependents and nationals of Gulf Countries in India.</p> <p>8. Payments to hotels by nationals of Gulf countries / NRIs for their stay.</p> <p>9. Payments to travel agents for booking of passages of NRIs and their families residing in India towards their travel in India by domestic airlines / rail, etc.</p> <p>10. Trade transactions up to Rs.5 lakh per transaction.</p> <p>11. Payments to utility service providers in India, for services such as water supply, electricity supply, telephone (except for mobile top-ups), internet, television etc.</p> <p>12. Tax payments in India</p> <p>13. EMI payments in India to Banks and Non-Banking Financial Companies (NBFCs) for repayment of loans.</p> <p>14. Remittances to the Prime Minister's National Relief Fund subject to the condition that the remittances are directly credited to the Fund by the banks and the banks maintain full details of the remitters.</p>
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**RESERVE BANK OF INDIA**  
**Foreign Exchange Department**  
**Central Office**  
**Mumbai - 400 001**

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**RBI/2014-15/ 266**  
**A.P. (DIR Series) Circular No.36**

**October 16, 2014**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Foreign Exchange Management Act, 1999 (FEMA)**  
**Foreign Exchange (Compounding Proceedings) Rules, 2000 (the Rules) -**  
**Compounding of Contraventions under FEMA, 1999**

Attention of all the Authorised Dealer Category - I (AD Category - I) banks and their constituents is invited to [A.P. \(DIR Series\) Circular no. 117 dated April 4, 2014](#) and the Foreign Exchange (Compounding Proceedings) Rules, 2000 notified by the Government of India vide G.S.R.No.383 (E) dated 3rd May 2000, as amended from time to time regarding delegation of powers to the Regional Offices of the Reserve Bank of India to compound the contraventions of FEMA.

2. In partial modification thereof, it has been decided to delegate further powers to Regional Offices as under:

<b>Sr. No.</b>	<b>FEMA Regulation</b>	<b>Brief Description of Contravention</b>
1	Regulation 10 A (b)(i) read with paragraph 10 of Schedule I to <a href="#"><u>FEMA 20/2000-RB dated May 3, 2000</u></a>	Delay in submission of form FC-TRS on transfer of shares from Resident to Non-Resident.
2	Regulation 10 B(2) read with paragraph 10 of Schedule I to FEMA 20/2000-RB dated May 3, 2000	Delay in submission of form FC-TRS on transfer of shares from Non-Resident to Resident.
3	Regulation 4 of FEMA 20/2000-RB dated May 3, 2000	Taking on record transfer of shares by investee company, in the absence of certified form FC-TRS.

3. The work of three divisions of Foreign Investment Division (FID) viz. Liaison/ Branch/ Project office(LO/ BO/ PO) division, Non Resident Foreign Account Division (NRFAD) and Immovable Property (IP) Division has been transferred to FED, CO Cell, Reserve Bank of India, 6, Sansad Marg, New Delhi- 110001 with effect from July 15, 2014. Accordingly, the officers attached to the FED, CO Cell, New Delhi office are now authorised to compound the contraventions as under:

<b>Sr. No.</b>	<b>FEMA Notification</b>	<b>Brief Description of Contravention</b>
1	<a href="#"><u>FEMA 7/2000-RB, dated 3-5-2000</u></a>	Contraventions relating to acquisition and transfer of immovable property outside India
2	<a href="#"><u>FEMA 21/2000-RB, dated 3-5-2000</u></a>	Contraventions relating to acquisition and transfer of immovable property in India
3	<a href="#"><u>FEMA 22/2000-RB, dated 3-5-2000</u></a>	Contraventions relating to establishment in India of Branch office ,Liaison Office or project office
4	<a href="#"><u>FEMA 5/2000-RB, dated 3-5-2000</u></a>	Contraventions falling under Foreign Exchange Management (Deposit) Regulations , 2000

4. The powers to compound the contraventions at Paragraph 2 and Paragraph 3 above have been delegated to all Regional Offices (except Kochi and Panaji) and FED, CO Cell, New Delhi respectively without any limit on the amount of contravention. Kochi and Panaji Regional offices can compound the above contraventions for amount of contravention below Rupees one hundred lakh (Rs.1,00,00,000/-). The contraventions of Rupees one hundred lakh (Rs.1,00,00,000/-) or more under the jurisdiction of Panaji and Kochi Regional Offices and all other contraventions of FEMA will continue to be compounded at Cell for Effective Implementation of FEMA (CEFA), Mumbai, as hitherto.

5. Accordingly, applications for compounding the above contraventions as at Paragraph 2 and Paragraph 3 above, up to the amount of contravention stated therein may be submitted by the concerned entities to the respective Regional Offices under whose jurisdiction they fall or to FED, CO Cell, New Delhi respectively. For **all other** contraventions, applications may continue to be submitted to CEFA, Foreign Exchange Department, 5<sup>th</sup> floor, Amar Building, Sir P.M.Road, Fort, Mumbai 400001.

6. The above modifications will come into force with immediate effect. All other instructions on compounding shall remain unchanged.

7. Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

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).

Yours faithfully,

(B. P. Kanungo)  
Principal Chief General Manager



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

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**RBI/2014-15/306**  
**A.P. (DIR Series) Circular No. 37**

November 20, 2014

To,

All Category - I Authorised Dealer Banks

Madam / Sir,

**Export of Goods / Software / Services – Period of Realisation and Repatriation of Export Proceeds – For exporters including Units in SEZs, Status Holder Exporters, EOUs, Units in EHTPs, STPs and BTPs**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 52 dated November 20, 2012](#) extending the enhanced period for realization and repatriation to India, of the amount representing the full value of exports, from six months to twelve months from the date of export. This relaxation was available up to March 31, 2013. Thereafter, in terms of [A.P. \(DIR Series\) Circular No. 105 dated May 20, 2013](#), this period was brought down from twelve months to nine months from the date of export, valid till September 30, 2013. Further, in terms of [A.P. \(DIR Series\) Circular No. 35 dated April 01, 2002](#), [A.P. \(DIR Series\) Circular No. 25 dated November 01, 2004](#) and [A.P. \(DIR Series\) Circular No. 108 dated June 11, 2013](#), the Units located in SEZs, Status Holder Exporters, EOUs, Units in EHTPs, STPs & BTPs shall realize and repatriate full value of goods/software/services, to India within a period of twelve months from the date of export.

2. The issue has since been reviewed and it has been decided, in consultation with the Government of India, that henceforth the period of realization and repatriation of export proceeds shall be nine months from the date of export for all exporters including Units in SEZs, Status Holder Exporters, EOUs, Units in EHTPs, STPs & BTPs until further notice.

3. The provisions in regard to period of realization and repatriation to India of the full exports made to warehouses established outside India remain unchanged.

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

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

Yours faithfully,

(C. D. Srinivasan)  
Chief General Manager



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

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**RBI/2014-15/307**

**A.P. (DIR Series) Circular No. 38**

November 20, 2014

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**Acquisition/Transfer of Immovable property – Payment of taxes**

Attention of Authorised Dealers in Foreign Exchange is invited to Foreign Exchange Management (Acquisition and Transfer of immovable property in India) Regulations, 2000 notified vide [Notification No. FEMA 21 /2000-RB dated 3rd May 2000](#) as amended from time to time.

2. It has been observed that doubts persist in the members of public regarding requirement of payment of taxes while undertaking property transactions under these regulations.
3. In this connection, it is clarified that transactions involving acquisition of immovable property under these regulations shall be subject to the applicable tax laws in India.
4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Acquisition and Transfer of immovable property in India) (Amendment) Regulations, 2014 notified vide [Notification No. FEMA.321/2014-RB dated September 26, 2014](#) c.f. G.S.R. No.733(E) dated October 17, 2014.
5. Authorised Dealers may bring the content of this circular to the notice of their constituents concerned.
6. The directions contained in this circular have been issued under Section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully

(C D Srinivasan)  
Chief General Manager



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

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**RBI/2014-15/309**  
**A.P. (DIR Series) Circular No. 39**

November 21, 2014

To  
All Authorised Dealer Category-I Banks

Madam / Sir

**External Commercial Borrowings (ECB) Policy – Parking of ECB proceeds**

Attention of Authorized Dealer Category - I (AD Category- I) banks is invited to [A.P. \(DIR Series\) Circular No. 52 dated November 23, 2011](#) relating to parking of proceeds of External Commercial Borrowings (ECB).

2. At present, eligible ECB borrowers are required to bring ECB proceeds, meant for Rupee expenditure in India for permitted end uses, such as, local sourcing of capital goods, on-lending to Self-Help Groups or for micro credit, payment for spectrum allocation, etc., immediately for credit to their Rupee accounts with AD Category - I banks in India.
  
3. With a view to providing greater flexibility to the ECB borrowers in structuring draw down of ECB proceeds and utilisation of the same for permitted end uses, it has been decided to permit AD Category -I banks to allow eligible ECB borrowers to park ECB proceeds (both under the automatic and approval routes) in term deposits with AD Category- I banks in India for a maximum period of six months pending utilisation for permitted end uses. The facility will be with the following conditions:
  - i. The applicable guidelines on eligible borrower, recognised lender, average maturity period, all-in-cost, permitted end uses, etc. should be complied with.
  - ii. No charge in any form should be created on such term deposits i.e. to say that the term deposits should be kept unencumbered during their currency.
  - iii. Such term deposits should be exclusively in the name of the borrower.
  - iv. Such term deposits can be liquidated as and when required.

4. The amended ECB policy will come into force with immediate effect and is subject to review. All other aspects of ECB policy would remain unchanged.
5. AD Category banks may bring the contents of this circular to the notice of their constituents and customers.
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

(B P Kanungo)  
Principal Chief General Manager



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

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**RBI/2014-15/310**

**A.P. (DIR Series) Circular No.40**

November 21, 2014

To

All Authorised Persons in Foreign Exchange

Madam / Sir,

**Release of Foreign Exchange for Haj/ Umrah pilgrimage**

Attention of Authorised Persons in foreign exchange is invited to A.P. (DIR Series) Circular No. 19 dated October 30, 2000; [A.P. \(DIR Series\) Circular No.11 \[A.P. \(F.L. Series\) Circular No.1\]](#) dated November 13, 2001 and [A.P.\(DIR Series\) Circular No. 50 \[A.P.\(FL Series\) Circular No. 7\]](#) dated May 4, 2010, regarding release of foreign exchange in the form of foreign currency notes and coins which remains as hitherto.

2. It has now been decided that henceforth Authorised Dealers and Full Fledged Money Changers may release the full amount of BTQ entitlement in cash or up to the cash limit specified by the Haj Committee of India, to the Haj/ Umrah pilgrims also.
3. Authorised Persons may bring the contents of this circular to the notice of their constituents and customers concerned.
4. 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,

(C.D.Srinivasan)  
Chief General Manager



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

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**RBI/2014-15/316  
A.P. (DIR Series) Circular No. 41**

**November 25, 2014**

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**Routing of funds raised abroad to India**

Attention of Authorised Dealers – Category - I (AD Category – I) banks is invited to the extant regulatory framework under the Foreign Exchange Management Act (FEMA), 1999 related to the External Commercial Borrowings (ECB), issuance of guarantees, and overseas direct investment from India.

2. It has come to our notice that some Indian companies are accessing overseas market for debt funds through overseas holding / associate / subsidiary / group companies. It has also been reported that such borrowings are raised at rates exceeding the ceiling applicable in terms of extant FEMA regulations and that the funds so raised are routed to the Indian companies which accounts for sole/major operations of the group. Different modalities/structures are resorted to for channeling such funds for Indian operations including investment in rupee bonds floated by the Indian company.

3. On a review of the matter in light of the existing regulatory framework, it is clarified as under:

- i. Indian companies or their AD Category – I banks are not allowed to issue any direct or indirect guarantee or create any contingent liability or offer any security in any form for such borrowings by their overseas holding / associate / subsidiary / group companies except for the purposes explicitly permitted in the relevant Regulations.

- ii. Further, funds raised abroad by overseas holding / associate / subsidiary / group companies of Indian companies with support of the Indian companies or their AD Category – I banks as mentioned at (i) above cannot be used in India unless it conforms to the general or specific permission granted under the relevant Regulations.
  - iii. Indian companies or their AD Category – I banks using or establishing structures which contravene the above shall render themselves liable for penal action as prescribed under FEMA, 1999.
4. AD Category – I banks may bring the contents of this Circular to the notice of their constituents and customers.
5. The directions contained in the 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 required, if any, under any other law.

Yours faithfully

**B P Kanungo  
Principal Chief General Manager**



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

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**RBI/2014-15/329**

**A. P. (DIR Series) Circular No.42**

November 28, 2014

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**Import of Gold (under 20: 80 Scheme) by Nominated Banks / Agencies / Entities**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to the provisions contained in [A.P.\(DIR Series\) Circular No.25 dated August 14, 2013](#) and the subsequent clarifications issued from time to time, resting with the [A.P. \(DIR Series\) Circular No.133 dated May 21, 2014](#), in consultation with Government of India on the above subject.

2. It has been decided by the Government of India to withdraw the 20:80 scheme and restrictions placed on import of gold. Accordingly, all instructions issued about the scheme from time to time starting with [A.P. \(DIR Series\) Circular No.25 dated August 14, 2013](#) stand withdrawn with immediate effect.
3. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
4. The directions contained in this circular have been issued under Section 10 (4) and Section 11 (1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(C. D. Srinivasan)  
Chief General Manager

RBI/2014-15/332  
A.P. (DIR Series) Circular No.43

December 2, 2014

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Remittance of Assets – Submission of Auditor's certificate**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Remittance of Assets) Regulations, 2000, notified vide [Notification No. FEMA 13/2000-RB dated May 3, 2000](#), as amended from time to time, which required submission of certificates in the formats prescribed by Central Board of Direct Taxes, Ministry of Finance, Government of India specified in their circular No. 10/2002 dated October 9, 2002.

2. The instructions by Central Board of Direct Taxes (CBDT) regarding submission of certificates have undergone significant changes over the years. Also it is pertinent to note that CBDT vide its notification dated September 2, 2013 has revised the instructions regarding furnishing of tax declarations and submission of Form 15CA and 15 CB.
3. Accordingly, Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Remittance of Assets) (Amendment) Regulations, 2014 notified vide [Notification No. FEMA. 324/2014-RB dated October 31, 2014](#), c.f. G.S.R. No. 803 (E) dated November 14, 2014, with respect to submitting certificates on tax payments.
4. In this connection, Authorised Dealer banks may refer to the instructions contained in [A.P \(DIR Series\) Circular No. 151 dated June 30, 2014](#). The conditions stipulated therein shall be complied with while making remittances.
5. AD Category- I banks may bring the contents of the circular to the notice of their constituents concerned.

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 is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully

(C D Srinivasan)  
Chief General Manager



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/336  
A.P.(DIR Series) Circular No.44

December 04, 2014

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 25 million  
to the Government of the Republic of Niger**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated March 14, 2014 with the Government of the Republic of Niger for making available to the latter, a Line of Credit (LOC) of USD 25 million (USD Twenty Five million) for financing eligible goods, machinery, equipment and services including consultancy services from India for the purpose of financing Potable Water for Semi Urban and Rural Communities in Niger. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from October 14, 2014 and the date of execution of Agreement is March 14, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of

project exports and 72 months (March 13, 2020) from the execution date of the Credit Agreement in the case of other supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(C. D. Srinivasan)**  
**Chief General Manager**



RBI/2014-15/339

A.P. (DIR Series) Circular No.45

December 8, 2014

To

All Category – I Authorised Dealer banks

Madam/Sir,

**Foreign Direct Investment (FDI) in India – Review of FDI policy –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(the Principal Regulations) 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. Attention of Authorised Dealer Category – I (AD Category-I) banks is also invited to Annex to [A.P. \(DIR Series\) Circular No. 44 dated September 13, 2013.](#)

2. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India has been updating/notifying the FDI policy through issue of Consolidated FDI Policy Circular. Accordingly, Government has notified the latest FDI policy changes vide Consolidated FDI Policy Circular of 2014 dated April 17, 2014 and the same is available at Government website [www.dipp.gov.in](http://www.dipp.gov.in). In order to bring uniformity in the sectoral classification/conditionalities for FDI/foreign investment as notified under the Consolidated FDI Policy Circular with the FEMA Regulations, the

position on Annex B of Schedule 1 to Notification No. FEMA. 20/2000-RB dated 3rd May 2000, as amended from time to time, has been suitably revised by amending the notification.

3. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Tenth Amendment) Regulations, 2014 notified vide [Notification No. FEMA. 312/2014-RB dated July 2, 2014](#), c.f. G.S.R. No. 798(E) dated November 13, 2014.

4. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers 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) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(B.P. Kanungo)  
**Principal Chief General Manager**

Annex to A. P. (DIR Series) Circular No.45 dated December 8 , 2014

The following shall be substituted for existing entries in Annex B to Schedule 1 to Notification No. FEMA. 20.

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
<b>AGRICULTURE</b>			
<b>1.</b>	<b>Agriculture &amp; Animal Husbandry</b>		
<b>1.1</b>	<b>Other Conditions :</b>		
	<p>II. The term 'under controlled conditions' covers the following:</p> <ul style="list-style-type: none"> <li>(i) '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.</li> <li>(ii) In case of Animal Husbandry, scope of the term 'under controlled Conditions' covers – <ul style="list-style-type: none"> <li>(a) 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 as prescribed by the National Livestock Policy 2013 and in conformity with the existing 'Standard Operating Practices and Minimum Standard Protocol.'</li> <li>(b) Poultry breeding farms and hatcheries where micro-climate is controlled through advanced technologies like incubators, ventilation systems etc.</li> </ul> </li> <li>(iii) In the case of pisciculture and aquaculture, scope of the term 'under controlled conditions' covers – <ul style="list-style-type: none"> <li>(a) Aquariums</li> <li>(b) Hatcheries where eggs are artificially fertilized and fry are hatched and incubated in an enclosed environment with artificial climate control.</li> </ul> </li> <li>(iv) In the case of apiculture, scope of the term "under controlled conditions' covers –</li> </ul>		

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
	<p>(a) 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>		
<b>6</b>	<b>DEFENCE</b>		
6.1	Defence Industry subject to Industrial license under the Industries (Development & Regulation) Act, 1951	26%	Government route up to 26%. Above 26% to Cabinet Committee on Security (CCS) on case to case basis, which ensure access to modern and 'state-of-art' technology in the country.
	<p><b>Note :</b> (i) Investment by Foreign Portfolio Investors (FPIs)/ FIIs (through portfolio investment) is not permitted.</p> <p>(ii) FPI/FII (through portfolio investment) is in companies holding defence licence as on 22 August 2013 will remain capped at the level existing as on the said date. No fresh FPI/FII (through portfolio investment ) is permitted even if the level of such investment fall below the capped level subsequently.</p>		
6.2	<p><b>Other conditions:</b></p> <p>(xv) All applications seeking permission of the Government for FDI in defence would be made to the Secretariat of the Foreign Investment Promotion Board (Fin) in the Department of Economic Affairs.</p> <p>(xvi) Applications for FDI up to 26% will follow the existing procedure with proposals involving inflows in excess of Rs. 1200 crore being approved by Cabinet Committee on Economic Affairs (CCEA). Applications seeking permission of the Government for FDI beyond 26%, will in all cases be examined additionally by the Department of Defence Production (DoDP) from the point of view particularly of access to modern and 'state-of-art' technology.</p> <p>(xvii) Based on the recommendation of the DoDP and FIPB, approval of the Cabinet Committee on Security (CCS) will be sought by the DoDP in respect of cases which are likely to result in access to modern and 'state-of-art' technology in the country.</p> <p>(xviii) Proposals for FDI beyond 26% with proposed inflow in excess of Rs. 1200 crores, which are to be approved by CCS will not require further approval of the</p>		

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
	Cabinet Committee of Economic Affairs (CCEA).  (xix) 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.		
	<b>SERVICES SECTOR</b>		
	<b>INFORMATION SERVICES</b>		
<b>7</b>	<b>Broadcasting</b>		
7.5	The foreign investment (FI) limit in companies engaged in the aforestated activities shall include, in addition to FDI, investment by Foreign Institutional Investors (FIIs), Foreign Portfolio Investors(FPIs), Qualified Foreign Investors (QFIs),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 aforestated broadcasting carriage services will be subject to the following security conditions/terms:</p> <p><b>Security Clearance of Personnel</b></p> <p>(iv) The Company shall be required to obtain security clearance of all foreign personnel likely to be deployed for more than 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 vis-a-vis Security Clearance</b></p> <p>(vi) In the event of security clearance of any of the persons associated with the permission holder/licensee or foreign personnel being 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>Monitoring, Inspection and Submission of Information</b></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><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,</p>		

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
	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.		
<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 NRIs/PIOs/FII/FPI)	Government
8.2	Publication of Indian editions of foreign magazines dealing with news and current affairs	26% (FDI and investment NRIs/PIOs/FII/FPI)	Government
<b>9</b>	<b>Civil Aviation</b>		
9.1	(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;		
<b>9.3</b>	<b>Air Transport Services</b>		
<b>9.3.1</b>	<b>Other Conditions</b>		
	<p>(c) Foreign airlines are also, 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> <ul style="list-style-type: none"> <li>(i) It would be made under the Government approval route.</li> <li>(ii) The 49% limit will subsume FDI and FII/FPI investment.</li> <li>(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.</li> <li>(iv) A Scheduled Operator's Permit can be granted only to a company: <ul style="list-style-type: none"> <li>a) <i>that is registered and has its principal place of business within India;</i></li> <li>b) <i>the Chairman and at least two-thirds of the Directors of which are citizens of India; and</i></li> <li>c) <i>the substantial ownership and effective control of which is vested in Indian nationals.</i></li> </ul> </li> <li>(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</li> </ul>		

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
	<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><b>Note:</b> (i)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>(ii) The dispensation for NRIs regarding FDI up to 100% will also continue in respect of the investment regime specified at paragraph 9.3.1(c)(ii) above.</p> <p>(iii) The policy mentioned at paragraph 9.3.1(c) above is not applicable to M/s Air India Limited</p>		
<b>15</b>	<p><b>Telecom services (including Telecom Infrastructure Providers Category-I)</b></p> <p>All telecom services including Telecom Infrastructure Providers Category-I, viz. Basic, Cellular, United Access Services, Unified license (Access services), Unified License, National/ International Long Distance, Commercial V-Sat, Public Mobile Radio Trunked Services (PMRTS), Global Mobile Personal Communications Services (GMPCS), All types of ISP licenses, Voice Mail/Audiotex / UMS, Resale of IPLC, Mobile Number Portability services, Infrastructure Provider Category-I (providing dark fibre, right of way, duct space, tower) except Other Service Providers.</p>	100%	Automatic upto 49%  Government route beyond 49%
<b>15.1.1</b>	<b>Other condition:</b>		
	FDI up to 100% with 49% on the automatic route and beyond 49% on the government route subject to observance of licensing and security conditions by licensee as well as investors as notified by the Department of Telecommunications (DoT) from time to time, except "Other Service Providers", which are allowed 100% FDI on the automatic route.		
<b>16</b>	<b>TRADING</b>		
<b>16.3</b>	<b>Single Brand product retail trading</b>	100%	Automatic up to 49%.  Government route beyond 49%
	(3) Applications seeking permission of the Government for FDI exceeding 49% in a company which proposes to undertake single brand retail trading in India would be made to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial		

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
	Policy & Promotion. The applications would specifically indicate the product/ product categories which are proposed to be sold under a 'Single Brand'. Any addition to the product/ product categories to be sold under 'Single Brand' would require a fresh approval of the Government. In case of FDI upto 49%, the list of products/ product categories proposed to be sold except food products would be provided to the RBI.		
	<b>FINANCIAL SERVICES</b>  Foreign investment in other financial services , other than those indicated below, would require prior approval of the Government:		
<b>17</b>	<b>Asset Reconstruction Companies</b>		
17.1	'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).	100% of paid-up capital of ARC (FDI + FII/FPI)	Automatic up to 49% Government route beyond 49%
17.2	<b>Other conditions:</b>  (i) Persons resident outside India can invest in the capital of Asset Reconstruction Companies (ARCs) registered with Reserve Bank, up to 49% on the automatic route, and beyond 49% on the Government route.  (ii) No sponsor may hold more than 50% of the shareholding in an ARC either by way of FDI or by routing it through an FII/FPI controlled by the single sponsor.  (iii) The total shareholding of an individual FII/FPI shall be below 10% of the total paid-up capital. (iv) FIIs/FPIs can invest in the Security Receipts (SRs) issued by ARCs registered with Reserve Bank. FIIs/FPIs can invest up to 74 per cent of each tranche of scheme of SRs. Such investment should be within the FII/FPI limit on corporate bonds prescribed from time to time, and sectoral caps under extant FDI Regulations should also be complied with.  (v) All investments would be subject to provisions of section 3(3) (f) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.		
<b>18</b>	<b>Banking –Private sector</b>		
18.1	Banking –Private sector	74% including investment by FIIs/FPIs	Automatic upto 49%  Government route beyond 49% and upto 74%
18.2	<b>Other conditions:</b>		

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
<p>(1) This 74% limit will include investment under the Portfolio Investment Scheme (PIS) by FIIs/FPIs, 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>(4) The permissible limits under portfolio investment schemes through stock exchanges for FIIs/FPIs and NRIs will be as follows:</p> <p>(i) In the case of FIIs/FPIs, as hitherto, individual FII/FPI holding is restricted to below 10 per cent of the total paid-up capital, aggregate limit for all FIIs/FPIs/QFIs 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/FPI/QFI investment limit will continue to be within 49 per cent of the total paid-up capital.</p> <p>(d) Transfer of shares under FDI from residents to non-residents will continue to require approval of RBI and Government as per Regulation 14(5) as applicable.</p>			
<b>20</b>	<b>Commodity Exchanges</b>		
20.2	<b>Commodity Exchange</b>	49% (FDI & FII/FPI) [Investment by Registered FII /FPI under Portfolio Investment Scheme (PIS) will be limited to 23% and Investment under FDI Scheme limited to 26% ]	Automatic
20.3	<b>Other conditions:</b>		
	<p>(i) FII/FPI purchases shall be restricted to secondary market only.</p> <p>(ii) No non-resident investor / entity, including persons acting in concert, will hold more than 5% of the equity in these companies.</p> <p>(iii) Foreign investment in commodity exchanges will be subject to the guidelines of the Central Government / Forward Markets Commission (FMC).</p>		
<b>21</b>	<b>Credit Information Companies (CIC)</b>		
21.1	Credit Information Companies	74% (FDI + FII/FPI)	Automatic
21.2	<b>Other Conditions:</b>		

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
	<p>(2) Foreign investment is permitted subject to regulatory clearance from RBI.</p> <p>(3) Investment by a registered FII/FPI 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 74% for foreign investment.</p> <p>(4) Such FII/FPI investment would be permitted subject to the conditions that:</p> <ul style="list-style-type: none"> <li>(a) No single entity should directly or indirectly hold below 10% equity.</li> <li>(b) Any acquisition in excess of 1% will have to be reported to RBI as a mandatory requirement; and</li> <li>(c) FIIs/FPIs investing in CICs shall not seek a representation on the Board of Directors based upon their shareholding.</li> </ul>		
<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/FPI) [FDI limit of 26 per cent and an FII/FPI limit of 23 per cent of the paid-up capital]	Automatic
22.2	<b>Other Conditions:</b>		
22.2.1	FII/FPI can invest only through purchases in the secondary market		
<b>25</b>	<b>Pharmaceuticals</b>		
25.1	Greenfield	100%	Automatic
25.2	Brownfield	100%	Government
25.3	<b>Other Conditions</b>		
	<ul style="list-style-type: none"> <li>(i) 'Non-compete' clause would not be allowed except in special circumstances with the approval of the Foreign Investment Promotion Board.</li> <li>(ii) The prospective investor and the prospective investee are required to provide necessary certificate along with the FIPB application.</li> <li>(iii) Government may incorporate appropriate conditions for FDI in brownfield cases, at the time of granting approval.</li> </ul>		
<b>26</b>	<b>Power Exchanges</b>		
26.1	Power Exchanges under the Central Electricity Regulatory Commission (Power Market) Regulations, 2010	49% (FDI + FII/FPI)	Automatic
26.2	<b>Other conditions:</b>		
	<ul style="list-style-type: none"> <li>(i) Such foreign investment would be subject to an FDI limit of 26 per cent and an FII/FPI limit of 23 per cent of the paid-up capital;</li> <li>(ii) FII/FPI purchases shall be restricted to secondary market only;</li> </ul>		

The following shall be substituted for existing entries in Annex B to Schedule 1 to Notification No. FEMA. 20

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
<b>AGRICULTURE</b>			
<b>1.</b>	<b>Agriculture &amp; Animal Husbandry</b>		
<b>1.1</b>	<b>Other Conditions :</b>		
	<p>II. The term 'under controlled conditions' covers the following:</p> <ul style="list-style-type: none"> <li>(i) '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.</li> <li>(ii) In case of Animal Husbandry, scope of the term 'under controlled Conditions' covers – <ul style="list-style-type: none"> <li>(a) 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 as prescribed by the National Livestock Policy 2013 and in conformity with the existing 'Standard Operating Practices and Minimum Standard Protocol.'</li> <li>(b) Poultry breeding farms and hatcheries where micro-climate is controlled through advanced technologies like incubators, ventilation systems etc.</li> </ul> </li> <li>(iii) In the case of pisciculture and aquaculture, scope of the term 'under controlled conditions' covers – <ul style="list-style-type: none"> <li>(a) Aquariums</li> <li>(b) Hatcheries where eggs are artificially fertilized and fry are hatched and incubated in an enclosed environment with artificial climate control.</li> </ul> </li> <li>(iv) In the case of apiculture, scope of the term "under controlled conditions" covers –</li> </ul>		

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
	(a) 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.		

<b>Sl. No.</b>	<b>Sector / Activity</b>	<b>% of Equity/FDI Cap</b>	<b>Entry Route</b>
<b>6</b>	<b>DEFENCE</b>		
6.1	Defence Industry subject to Industrial license under the Industries (Development & Regulation) Act, 1951	26%	Government route up to 26%. Above 26% to Cabinet Committee on Security (CCS) on case to case basis, which ensure access to modern and 'state-of-art' technology in the country.
	<p><b>Note :</b> (i) Investment by Foreign Portfolio Investors (FPIs)/ FIIs (through portfolio investment) is not permitted.</p> <p>(ii) FPI/FII (through portfolio investment) is in companies holding defence licence as on 22 August 2013 will remain capped at the level existing as on the said date. No fresh FPI/FII (through portfolio investment ) is permitted even if the level of such investment fall below the capped level subsequently.</p>		
6.2	<b>Other conditions:</b> <p>(xv) All applications seeking permission of the Government for FDI in defence would be made to the Secretariat of the Foreign Investment Promotion Board (Fin) in the Department of Economic Affairs.</p> <p>(xvi) Applications for FDI up to 26% will follow the existing procedure with proposals involving inflows in excess of Rs. 1200 crore being approved by Cabinet Committee on Economic Affairs (CCEA). Applications seeking permission of the Government for FDI beyond 26%, will in all cases be examined additionally by the Department of Defence Production (DoDP) from the point of view particularly of access to modern and 'state-of-art' technology.</p> <p>(xvii) Based on the recommendation of the DoDP and FIPB, approval of the Cabinet Committee on Security (CCS) will be sought by the DoDP in respect of cases which are likely to result in access to modern and 'state-of-art' technology in the country.</p>		

	<p>(xviii) Proposals for FDI beyond 26% with proposed inflow in excess of Rs. 1200 crores, which are to be approved by CCS will not require further approval of the Cabinet Committee of Economic Affairs (CCEA).</p> <p>(xix) 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>
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Sl. No.	Sector / Activity	% of Equity/FDI Cap	Entry Route
<b><u>SERVICES SECTOR</u></b>			
<b>INFORMATION SERVICES</b>			
<b>7</b>	<b>Broadcasting</b>		
7.5	The foreign investment (FI) limit in companies engaged in the aforestated activities shall include, in addition to FDI, investment by Foreign Institutional Investors (FIIs), Foreign Portfolio Investors(FPIs), Qualified Foreign Investors (QFIs),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 aforestated broadcasting carriage services will be subject to the following security conditions/terms:</p> <p><b>Security Clearance of Personnel</b></p> <p>(iv) The Company shall be required to obtain security clearance of all foreign personnel likely to be deployed for more than 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 vis-a-vis Security Clearance</b></p> <p>(vi) In the event of security clearance of any of the persons associated with the permission holder/licensee or foreign personnel being 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>Monitoring, Inspection and Submission of Information</b></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>		

	<b>National Security Conditions</b>  (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.		
<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 NRIs/PIOs/FII/FPI)	Government
8.2	Publication of Indian editions of foreign magazines dealing with news and current affairs	26% (FDI and investment NRIs/PIOs/FII/FPI)	Government
<b>9</b>	<b>Civil Aviation</b>		
9.1	(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;		
9.3	<b>Air Transport Services</b>		
9.3.1	<b>Other Conditions</b>		
	<p>(c) Foreign airlines are also, 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> <ul style="list-style-type: none"> <li>(i) It would be made under the Government approval route.</li> <li>(ii) The 49% limit will subsume FDI and FII/FPI investment.</li> <li>(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.</li> <li>(iv) A Scheduled Operator's Permit can be granted only to a company: <ul style="list-style-type: none"> <li>a) <i>that is registered and has its principal place of business within India;</i></li> <li>b) <i>the Chairman and at least two-thirds of the Directors of which are citizens of India; and</i></li> <li>c) <i>the substantial ownership and effective control of which is vested in Indian nationals.</i></li> </ul> </li> <li>(v) All foreign nationals likely to be associated with Indian scheduled and non-</li> </ul>		

	<p>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><b>Note:</b> (i)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>(ii) The dispensation for NRIs regarding FDI up to 100% will also continue in respect of the investment regime specified at paragraph 9.3.1(c)(ii) above.</p> <p>(iii) The policy mentioned at paragraph 9.3.1(c) above is not applicable to M/s Air India Limited</p>		
15	<p><b>Telecom services (including Telecom Infrastructure Providers Category-I)</b></p> <p>All telecom services including Telecom Infrastructure Providers Category-I, viz. Basic, Cellular, United Access Services, Unified license (Access services), Unified License, National/ International Long Distance, Commercial V-Sat, Public Mobile Radio Trunked Services (PMRTS), Global Mobile Personal Communications Services (GMPCS), All types of ISP licenses, Voice Mail/Audiotex / UMS, Resale of IPLC, Mobile Number Portability services, Infrastructure Provider Category-I (providing dark fibre, right of way, duct space, tower) except Other Service Providers.</p>	100%	<p>Automatic upto 49%</p> <p>Government route beyond 49%</p>
15.1.1	<b>Other condition:</b>		
	FDI up to 100% with 49% on the automatic route and beyond 49% on the government route subject to observance of licensing and security conditions by licensee as well as investors as notified by the Department of Telecommunications (DoT) from time to time, expect "Other Service Providers", which are allowed 100% FDI on the automatic route.		
16	<b>TRADING</b>		
16.3	<b>Single Brand product retail trading</b>	100%	<p>Automatic up to 49%.</p> <p>Government route beyond 49%</p>
	(3) Applications seeking permission of the Government for FDI exceeding 49% in a company which proposes to undertake single brand retail trading in India would be		

	made to the Secretariat for Industrial Assistance (SIA) in the Department of Industrial Policy & Promotion. The applications would specifically indicate the product/ product categories which are proposed to be sold under a 'Single Brand'. Any addition to the product/ product categories to be sold under 'Single Brand' would require a fresh approval of the Government. In case of FDI upto 49%, the list of products/ product categories proposed to be sold except food products would be provided to the RBI.		
	<b>FINANCIAL SERVICES</b>  Foreign investment in other financial services , other than those indicated below, would require prior approval of the Government:		
<b>17</b>	<b>Asset Reconstruction Companies</b>		
17.1	'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).	100% of paid-up capital of ARC (FDI + FII/FPI)	Automatic up to 49% Government route beyond 49%
17.2	<b>Other conditions:</b> <ul style="list-style-type: none"> <li>(i) Persons resident outside India can invest in the capital of Asset Reconstruction Companies (ARCs) registered with Reserve Bank, up to 49% on the automatic route, and beyond 49% on the Government route.</li> <li>(ii) No sponsor may hold more than 50% of the shareholding in an ARC either by way of FDI or by routing it through an FII/FPI controlled by the single sponsor.</li> <li>(iii) The total shareholding of an individual FII/FPI shall be below 10% of the total paid-up capital.</li> <li>(iv) FIIs/FPIs can invest in the Security Receipts (SRs) issued by ARCs registered with Reserve Bank. FIIs/FPIs can invest up to 74 per cent of each tranche of scheme of SRs. Such investment should be within the FII/FPI limit on corporate bonds prescribed from time to time, and sectoral caps under extant FDI Regulations should also be complied with.</li> <li>(v) All investments would be subject to provisions of section 3(3) (f) of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.</li> </ul>		
<b>18</b>	<b>Banking –Private sector</b>		
18.1	Banking –Private sector	74% including investment by FIIs/FPIs	Automatic upto 49% Government route beyond 49% and upto 74%
18.2	<b>Other conditions:</b> <ul style="list-style-type: none"> <li>(1) This 74% limit will include investment under the Portfolio Investment Scheme (PIS)</li> </ul>		

	<p>by FIIs/FPIs, 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>(4) The permissible limits under portfolio investment schemes through stock exchanges for FIIs/FPIs and NRIs will be as follows:</p> <p>(i) In the case of FIIs/FPIs, as hitherto, individual FII/FPI holding is restricted to below 10 per cent of the total paid-up capital, aggregate limit for all FIIs/FPIs/QFIs 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/FPI/QFI investment limit will continue to be within 49 per cent of the total paid-up capital.</p> <p>(d) Transfer of shares under FDI from residents to non-residents will continue to require approval of RBI and Government as per Regulation 14(5) as applicable.</p>		
<b>20</b>	<b>Commodity Exchanges</b>		
20.2	<b>Commodity Exchange</b> <p>49% (FDI &amp; FII/FPI) [Investment by Registered FII /FPI under Portfolio Investment Scheme (PIS) will be limited to 23% and Investment under FDI Scheme limited to 26% ]</p>		
20.3	<b>Other conditions:</b> <p>(i) FII/FPI purchases shall be restricted to secondary market only. (ii) No non-resident investor / entity, including persons acting in concert, will hold more than 5% of the equity in these companies. (iii) Foreign investment in commodity exchanges will be subject to the guidelines of the Central Government / Forward Markets Commission (FMC).</p>		
<b>21</b>	<b>Credit Information Companies (CIC)</b>		
21.1	Credit Information Companies	74% (FDI + FII/FPI)	Automatic
21.2	<b>Other Conditions:</b>		
	(2) Foreign investment is permitted subject to regulatory clearance from RBI.		

	<p>(3) Investment by a registered FII/FPI 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 74% for foreign investment.</p> <p>(4) Such FII/FPI investment would be permitted subject to the conditions that:</p> <ul style="list-style-type: none"> <li>(a) No single entity should directly or indirectly hold below 10% equity.</li> <li>(b) Any acquisition in excess of 1% will have to be reported to RBI as a mandatory requirement; and</li> <li>(c) FIIs/FPIs investing in CICs shall not seek a representation on the Board of Directors based upon their shareholding.</li> </ul>		
<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/FPI) [FDI limit of 26 per cent and an FII/FPI limit of 23 per cent of the paid-up capital]	Automatic
22.2	<b>Other Conditions:</b>		
22.2.1	FIIs/FPIs can invest only through purchases in the secondary market		
<b>25</b>	<b>Pharmaceuticals</b>		
25.1	Greenfield	100%	Automatic
25.2	Brownfield	100%	Government
25.3	<b>Other Conditions</b>		
	<ul style="list-style-type: none"> <li>(i) 'Non-compete' clause would not be allowed except in special circumstances with the approval of the Foreign Investment Promotion Board.</li> <li>(ii) The prospective investor and the prospective investee are required to provide necessary certificate along with the FIPB application.</li> <li>(iii) Government may incorporate appropriate conditions for FDI in brownfield cases, at the time of granting approval.</li> </ul>		
<b>26</b>	<b>Power Exchanges</b>		
26.1	Power Exchanges under the Central Electricity Regulatory Commission (Power Market) Regulations, 2010	49% (FDI + FII/FPI)	Automatic
26.2	<b>Other conditions:</b>		
	<ul style="list-style-type: none"> <li>(i) Such foreign investment would be subject to an FDI limit of 26 per cent and an FII/FPI limit of 23 per cent of the paid-up capital;</li> <li>(ii) FIIs/FPIs purchases shall be restricted to secondary market only;</li> </ul>		

RBI/2014-15/340

A.P. (DIR Series) Circular No. 46

December 8, 2014

To

All Category – I Authorised Dealer banks

Madam/Sir,

**Foreign Direct Investment (FDI) in India – Review of FDI policy –Sector Specific conditions- Defence**

Attention of Authorised Dealer Category – I (AD Category-I) banks is invited to Regulation 14 and Annex B of Schedule 1 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide [Notification No. FEMA 20/2000-RB dated May 3, 2000](#), as amended from time to time. In terms of Schedule 1 to the Notification ibid, Foreign Direct Investment (FDI) up to 26 per cent is permitted under Government route in Defence industry subject to license under the Industries (Development & Regulation) Act, 1951. Proposals for FDI above 26 per cent would be subject to approval of Cabinet Committee on Security on case to case basis, wherever it is likely to result in access to modern and ‘state-of-art’ technology in the country.

2. The extant FDI policy for defence sector has since been reviewed. Department of Industrial Policy and Promotion (DIPP) has now provided a list of defence items as finalised by Department of Defence Production, Ministry of Defence and has clarified that items not in the list would not require industrial license for defence purposes. Dual use items, having military as well as civilian applications, other than those specially mentioned in the list, would also not require Industrial License from Defence angle. Department of Defence Production, Ministry of Defence, has finalised the ‘Security Manual for Licensed Defence Industry’.

3. Further, on a review, effective from August 26, 2014, foreign investment i.e. FDI, FIIs, RFPIs, NRIs, FVCIs and QFIs upto 49% under government route shall be permitted in defence sector subject to the conditions specified in the Press Note 7 (2014 Series) dated August 26, 2014. Portfolio investment (RFPI/FII/NRI/QFI) and FVCI investment will not

exceed 24% of the total equity of the investee company. Portfolio investment will be under automatic route.

4. The listed investee company engaged in defence sector, in accordance with the guidance provided by the Press Note 7 (2014 Series) , shall immediately allocate limits for portfolio investment for RFPI (including QFI and FII), NRI (not exceeding 10%) and FVCI within the default portfolio investment limit of 24% being permitted now and approach Reserve Bank, Central Office, Foreign Investment Division, Mumbai so that allocated limits can be monitored by the Reserve Bank.

5. A copy each of Press Note No.3 , No.6, No. 7 (2014 Series) dated June 26, 2014, July 8, 2014 and August 26, 2014 respectively issued in this regard by DIPP, Ministry of Commerce & Industry, Government of India are enclosed.

6. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Thirteenth Amendment) Regulations, 2014 notified vide [Notification No. FEMA. 319/2014-RB dated September 5, 2014](#), c.f. G.S.R. No. 799(E) dated November 13, 2014.

7. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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,

(B.P. Kanungo)  
Principal Chief General Manager



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RBI/2014-15/341

A.P. (DIR Series) Circular No.47

December 8, 2014

To

All Category – I Authorised Dealer banks

Madam/Sir,

**Foreign Direct Investment (FDI) in India – Review of FDI policy – Sector Specific conditions- Railway Infrastructure**

Attention of Authorised Dealer Category – I (AD Category-I) banks is invited to Annex A and Annex B of Schedule 1 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide [Notification No. FEMA 20/2000-RB dated May 3, 2000](#), as amended from time to time. In terms of Annex A of Schedule 1 to the Notification ibid, Foreign Direct Investment (FDI) is prohibited in activities / sectors not open to private sector investment e.g. Atomic Energy and Railway Transport (other than Mass Rapid Transport Systems).

2. The extant Foreign Direct Investment (FDI) policy for railways sector has since been reviewed. Department of Industrial Policy and Promotion (DIPP) has now permitted 100% FDI in railway Infrastructure sector under automatic route subject to conditions. Accordingly, it has been decided to permit FDI in the following activities of the Railway Transport sector:

“Construction, operation and maintenance of the following: (i) Suburban corridor projects through PPP, (ii) High speed train projects, (iii) Dedicated freight lines, (iv) Rolling stock including train sets, and locomotives/coaches manufacturing and maintenance facilities, (v) Railway Electrification, (vi) Signaling systems, (vii) Freight terminals, (viii) Passenger terminals, (ix) Infrastructure in industrial park pertaining to railway line/sidings including electrified railway lines and connectivities to main railway line and (x) Mass Rapid Transport Systems. Further, FDI beyond 49 of the equity of the investee company in sensitive areas from security point of view will be brought before the Cabinet Committee on Security (CCS) for consideration on a case to case basis.”

3. A copy of Press Note No. 8 (2014 Series) dated August 27, 2014 issued in this regard by DIPP, Ministry of Commerce & Industry, Government of India is enclosed.

4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Fourteenth Amendment) Regulations, 2014 notified vide [Notification No. FEMA.320/2014-RB dated September 5, 2014](#), c.f. G.S.R. No. 800(E) dated November 13, 2014.

5. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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,

**(B.P. Kanungo)**  
**Principal Chief General Manager**



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RBI/2014-2015/344  
A.P. (DIR Series) Circular No.48

December 09, 2014

To  
All Category-I Authorised Dealer Banks

Madam / Sir,

**Overseas Investments by Alternative Investment Funds (AIF)**

Attention of the Authorised Dealer (AD - Category I) banks is invited to Regulation 26 of [Notification No. FEMA.120/RB-2004 dated July 7, 2004](#) [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time and the provisions under [A.P.\(DIR Series\) Circulars No. 49](#) and [50](#) dated April 30, 2007 and May 04, 2007 respectively.

2. On a review, it has been decided to permit an Indian Alternative Investment Fund (AIF), registered with Securities and Exchange Board of India (SEBI), to invest overseas in terms of the provisions issued under the A.P. (DIR Series) Circulars No. 49 and 50 dated April 30, 2007 and May 04, 2007 respectively.
3. Necessary amendments to the Notification *ibid* has been issued vide [Notification No. FEMA.326/RB-2014 dated November 12, 2014](#) (copy enclosed) and effective from the date of publication in the Gazette i.e. November 21, 2014.
4. AD - Category I banks may bring the contents of this circular to the notice of their constituents and customers concerned.



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

Yours faithfully,

(C D Srinivasan)  
Chief General Manager

RBI/2014-15/357

A.P. (DIR Series) Circular No.49

December 16, 2014

To

All Authorised Persons, who are Indian Agents under Money Transfer Service Scheme

Madam/ Sir,

**Money Transfer Service Scheme– Delegation of work to Regional Offices- Submission of Statements / Returns**

Attention of Authorised Persons, who are Indian Agents under Money Transfer Service Scheme (MTSS) is invited to the [A.P. \(DIR Series\) Circular No. 89 dated March 12, 2013](#) on Money Transfer Service Scheme – Revised Guidelines, as amended from time to time.

2. In continuation to [A.P. \(DIR Series\) Circular No. 8 dated July 18, 2014](#), it is clarified that subsequent to delegation of Money Transfer Service Scheme (MTSS) work, all Authorised Persons, who are Indian agents under MTSS are required to make all their correspondence with Reserve Bank including submission of prescribed statements to the Regional Office of the Foreign Exchange Department of the Reserve Bank, under whose jurisdiction their registered offices function. It has been observed that several Indian agents continue to submit the correspondence / statements to the Central Office, causing avoidable delays in scrutiny / processing. Thus, the Indian agents are advised to note the instructions regarding correspondence and submission of statements to the concerned Regional Office, as mentioned above.

3. All other instructions issued vide [A. P. \(DIR Series\) Circular No. 89 dated March 12, 2013](#), as amended from time to time, will remain unchanged.

4. Authorised Persons (Indian Agents) 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 Section 10(4) and Section 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,

**(B. P. Kanungo)**  
**Principal Chief General Manager**



RBI/2014-15/358

A.P.(DIR Series) Circular No.50

December 16, 2014

To

All Authorised Dealer Category - I Banks

Madam/ Sir,

**Rupee Drawing Arrangement – Delegation of work to Regional Offices-  
Submission of Statements / Returns**

Attention of Authorised Dealer Category – I (AD Cat – I) banks is invited to [A.P. \(DIR Series\) Circular No. 28 \[A. P. \(FL/RL Series\) Circular No. 02\]](#) dated February 6, 2008 on Memorandum of Instructions for Opening and Maintenance of Rupee / Foreign Currency Vostro Accounts of Non-resident Exchange Houses, as amended from time to time.

2. In continuation to [A.P. \(DIR Series\) Circular No. 7 dated July 18, 2014](#), it is clarified that subsequent to delegation of Rupee Drawing Arrangement (RDA) work, Authorised Dealer Category I banks are required to make all their correspondence with Reserve Bank including submission of prescribed statements to the Regional Office of the Foreign Exchange Department of the Reserve Bank, under whose jurisdiction their registered offices function. It has been observed that several Authorised Dealer Category I banks continue to submit the correspondence / statements to the Central Office, causing avoidable delays in scrutiny / processing. Thus, Authorised Dealer Category I banks are advised to note the instructions regarding correspondence and submission of statements to the concerned Regional Office, as mentioned above.

3. All other instructions issued vide [A.P. \(DIR Series\) Circular No. 28 \[A. P. \(FL/RL Series\) Circular No. 02\]](#) dated February 6, 2008, as amended from time to time, will remain unchanged.

4. AD Category-I Banks 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 Section 10(4) and Section 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,

**(B. P. Kanungo)**  
**Principal Chief General Manager**



**RBI/2014-15/360  
A.P. (DIR Series) Circular No.51**

**December 17, 2014**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Foreign Exchange Management (Deposit) Regulations, 2000**

**- Exemption thereof**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Regulation 4(5) of the Foreign Exchange Management (Deposit) Regulations, 2000, notified vide [Notification No. FEMA 5/2000-RB dated May 3, 2000](#), as amended from time to time, in terms of which nothing contained in the regulations applies to the deposits held in accounts maintained with an authorised dealer by the United Nations Organisation and its subsidiary/affiliate bodies in India, and its or their officials in India.

2. It has been observed that Authorised Dealer banks are frequently coming across cases related to opening of accounts for multilateral organisations, of which India is a member nation.

3. With the objective of bringing all the multilateral organisations at par, for opening of accounts in India, the extant instructions have been reviewed and it has been decided to include in the exemptions, laid down in Foreign Exchange Management (Deposit) Regulation, 2000, issued vide Notification No. FEMA 5/2000-RB dated May 3, 2000 (as amended from time to time), deposits held in accounts maintained with an authorised dealer by any multilateral organization of which India is a member nation, and its subsidiary/affiliate bodies in India, and its or their officials in India.

4. Accordingly, it is hereby informed that Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Deposit)

(Amendment) Regulations, 2014 notified vide [Notification No. FEMA. 327/2014-RB dated November 24, 2014](#) c.f. G.S.R. No. 879(E) dated December 9, 2014.

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

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 is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(C D Srinivasan)  
Chief General Manager



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

**RBI/2014-15/369  
A.P. (DIR Series) Circular No.52**

**December 29, 2014**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 120.05 million  
to the Government of the Republic of Rwanda**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated October 26, 2013 with the Government of the Republic of Rwanda for making available to the latter, a Line of Credit (LOC) of USD 120.05 million (USD One Hundred and Twenty million and fifty thousand) for financing [i] Export Targeted Modern Irrigated Agricultural Project (USD 60.22 million); and [ii] Extension of Export Targeted Modern Irrigated Agricultural Project (USD 59.83 million). The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from December 2, 2014 and the date of execution of Agreement is October 26, 2013. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date of contract in the case of project exports and 72 months (October 25, 2019) from the execution date of the Credit Agreement in the case of supply contracts.
  
3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(C. D. Srinivasan)**  
**Chief General Manager**



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

**RBI/2014-15/ 370  
A.P. (DIR Series) Circular No.53**

**December 29, 2014**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 82 million  
to the Government of the Republic of Congo**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated June 27, 2014 with the Government of the Democratic Republic of Congo for making available to the latter, a Line of Credit (LOC) of USD 82 million (USD Eighty Two million) for financing eligible goods, Machinery, equipment and services including consultancy services from India for the purpose of financing completion of Ketende Hydro-electric Project in Congo. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from October 8, 2014 and the date of execution of Agreement is June 27, 2013. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72 months (June 26, 2020) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(C. D. Srinivasan)**  
**Chief General Manager**



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

RBI/2014-15/371  
**A.P. (DIR Series) Circular No.54**

**December 29, 2014**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Overseas Direct Investments by Indian Party – Rationalization / Liberalization**

Attention of the Authorised Dealer (AD - Category I) bank is invited to Regulation 18 and 18A of [Notification No. FEMA.120/RB-2004 dated July 7, 2004](#) [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time and the provisions under [A.P. \(DIR Series\) Circular No. 96 dated March 28, 2012.](#)

2. In order to grant more flexibility to the Indian party, it has been decided to further liberalize certain regulations of the Notification as detailed under.

**(i) Creation of charge on shares of JV / WOS / step down subsidiary (SDS) in favour of domestic / overseas lender**

In terms of the extant FEMA provisions, creation of charge (pledge) on the shares of an JV / WOS of an Indian party in favour of domestic / overseas lender for the purpose of availing facilities (funded or non-funded) by the Indian party and / or the concerned JV / WOS is under the automatic route.

It has been decided that the designated AD bank may permit creation of charge / pledge on the shares of the JV / WOS / SDS (irrespective of the level) of an Indian party in favour of a domestic or overseas lender for securing the funded and / or non-funded facility to be availed of by the Indian party or by its group companies /

sister concerns / associate concerns or by any of its JV / WOS / SDS (irrespective of the level) under the automatic route subject to the following:

- a) The Indian party is complying with the provisions under Regulation 6 (and Regulation 7, if applicable) of the Notification *ibid* for undertaking financial commitment;
- b) Compliance to the provisions under Regulation 18 of the Notification *ibid*;
- c) The period of charge, if not specified upfront, may be co-terminus with the period of end use (like loan or other facility) for which charge has been created;
- d) The loan / facility availed by the JV / WOS / SDS from the domestic / overseas lender shall be utilized only for its core business activities overseas and not for investing back in India in any manner whatsoever;
- e) A certificate from the Statutory Auditors' of the Indian party, to the effect that the loan / facility availed by the JV / WOS / SDS has not been utilized for direct or indirect investments in India, is to be obtained and kept by the designated AD;
- f) The invocation of charge resulting into the domestic lender acquiring the shares of the overseas JV / WOS / step down subsidiary shall be governed by the extant FEMA provisions / regulations issued by the Reserve Bank from time to time;
- g) The facilities (funded or non-funded) extended by the domestic lender to the Indian party or to its group / sister / associate concern or to any of its overseas JV / WOS / SDS shall also be governed by the prudential norms and other guidelines issued by the Department of Banking Regulation (DBR, the erstwhile DBOD), Reserve Bank of India from time to time; and
- h) The matter relating to the setting up / acquiring the multi-layered structure of overseas entities by the Indian party, wherever applicable, is under the examination of the Reserve Bank and the decision taken in this regard shall be conveyed in due course for necessary compliance at AD / Indian party level.

**(ii) Creation of charge on the domestic assets in favour of overseas lenders to the JV / WOS / step down subsidiary**

As per the extant FEMA provisions, creation of charge on the domestic assets (movable / immovable / financial / other) of an Indian party (or its group / sister / associate concern including the individual promoter / director) in favour of an overseas lender to the JV / WOS / step down subsidiary (SDS) requires prior approval of the Reserve Bank.

It has been decided that the designated AD bank may permit creation of charge (by way of pledge, hypothecation, mortgage, or otherwise) on the domestic assets of an Indian party (or its group companies / sister concerns / associate concerns including the individual promoters / directors) in favour of an overseas lender for securing the funded and / or non-funded facility to be availed of by the JV / WOS / SDS (irrespective of the level) of the Indian party under the automatic route subject to the following:

- (a) The Indian party is complying with the provisions under Regulation 6 (and Regulation 7, if applicable) of the Notification *ibid* for undertaking the financial commitment;
- (b) Compliance to the provisions under Regulation 18A(1) of the Notification *ibid*;
- (c) The domestic assets, on which charge is being created, are not securitized;
- (d) The period of charge, if not specified upfront, may be co-terminus with the period of end use (like loan or other facility) for which charge has been created;
- (e) The loan / funds raised overseas by the JV / WOS / SDS shall be utilized only for its core business activities overseas and not for investing back in India in any manner whatsoever;
- (f) A certificate from the Statutory Auditors' of the Indian party, to the effect that the loan / funds raised overseas by the JV / WOS / SDS has not been

- utilized for direct or indirect investments in India, is to be obtained and kept by the designated AD;
- (g) The overseas lender undertakes that, in the event of enforcement of charge, they shall transfer the domestic assets by way of sale to a resident only;
  - (h) In case of invocation of charge, the resultant remittance of the proceeds exceeding the prescribed limit of the financial commitment of the Indian party (prevailed at the time of creation of charge) shall require prior approval of the Reserve Bank;
  - (i) Wherever creation of charge involves pledge of shares of an Indian company, the pledge shall also be governed by the extant FEMA provisions / regulations issued by the Reserve Bank and the consolidated Foreign Direct Investment (FDI) policy issued by the Government of India from time to time; and
  - (j) The matter relating to the setting up / acquiring the multi-layered structure of overseas entities by the Indian party, wherever applicable, is under the examination of the Reserve Bank and the decision taken in this regard shall be conveyed in due course for necessary compliance at AD / Indian party level.

**(iii) Creation of charge on overseas assets in favour of domestic lender**

Creation of charge on the overseas assets of JV / WOS / SDS of an Indian party in favour of a domestic lender to the Indian party or to its group / sister / associate concern or to any of its overseas JV / WOS / SDS requires prior approval of the Reserve Bank.

It has been decided that the designated AD bank may permit creation of charge (by way of hypothecation, mortgage, or otherwise) on the overseas assets (excluding the shares) of the JV / WOS / SDS (irrespective of the level) of an Indian party in favour of a domestic lender for securing the funded and / or non-funded facility to be availed of by the Indian party or by its group companies / sister concerns / associate

concerns or by any of its overseas JV / WOS / SDS (irrespective of the level) under the automatic route subject to the following:

- a) The Indian party is complying with the provisions under Regulation 6 (and Regulation 7, if applicable) of the Notification *ibid* for undertaking financial commitment;
- b) Compliance to the provisions under Regulation 18A(2) of the Notification *ibid*;
- c) The overseas assets, on which charge is being created, are not securitized;
- d) The period of charge, if not specified upfront, may be co-terminus with the period of end use (like loan or other facility) for which charge has been created;
- e) The loan / facility availed by the JV / WOS / SDS from the domestic lender shall be utilized only for its core business activities overseas and not for investing back in India in any manner whatsoever;
- f) A certificate from the Statutory Auditors' of the Indian party, to the effect that the loan / facility availed by the JV / WOS / SDS has not been utilized for direct or indirect investments in India, is to be obtained and kept by the designated AD;
- g) The invocation of charge resulting into the domestic lender acquiring the overseas assets shall require prior approval of the Reserve Bank; and
- h) The matter relating to the setting up / acquiring the multi-layered structure of overseas entities by the Indian party, wherever applicable, is under the examination of the Reserve Bank and the decision taken in this regard shall be conveyed in due course for necessary compliance at AD / Indian party level.

3. Necessary amendments to the Notification *ibid* has been issued vide [Notification No. FEMA.322/2014-RB dated October 14, 2014](#) and effective from the date of publication in the Gazette i.e. December 03, 2014.

4. AD - Category I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
  
5. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

**(C D Srinivasan)**  
**Chief General Manager**



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

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**RBI/2014-15/377**

**A.P. (DIR Series) Circular No. 55**

January 01, 2015

To

All Authorised Dealer Category-I Banks

Madam/ Sir

**Security for External Commercial Borrowings**

Attention of Authorised Dealers Category-I (AD Category-I) banks is invited to Paragraphs 1 (A)(vii) and 1 (B) (vi) of [Annex to A P \(DIR Series\) Circular No. 5 dated August 1, 2005](#) and [A P \(DIR Series\) Circular No. 1 dated July 11, 2008](#) relating to creation of charge over securities for External Commercial Borrowings (ECB).

2. Under the extant ECB guidelines, the choice of security to be provided to the overseas lender / supplier for securing ECB is left to the borrower. With a view to liberalising, expanding the options of securities and consolidating various provisions related to creation of charge over securities for ECB at one place, it has been decided that AD Category-I banks may allow creation of charge on immovable assets, movable assets, financial securities and issue of corporate and / or personal guarantees in favour of overseas lender / security trustee, to secure the ECB to be raised / raised by the borrower, subject to satisfying themselves that:

(i) the underlying ECB is in compliance with the extant ECB guidelines, (ii) there exists a security clause in the Loan Agreement requiring the ECB borrower to create charge, in favour of overseas lender / security trustee, on immovable assets / movable assets / financial securities / issuance of corporate and / or personal guarantee, and (iii) No objection certificate, wherever necessary, from the existing lenders in India has been obtained.

3. Once aforesaid stipulations are met, the AD Category-I bank may permit creation of charge on immovable assets, movable assets, financial securities and issue of corporate and / or personal guarantees, during the currency of the ECB with security co-terminating with underlying ECB, subject to the following:

**(a) Creation of Charge on immovable assets:**

- i. Such security shall be subject to provisions contained in the Foreign Exchange Management (Acquisition and Transfer of Immovable Property in India) Regulations, 2000.
- ii. The permission should not be construed as a permission to acquire immovable asset (property) in India, by the overseas lender / security trustee.
- iii. In the event of enforcement / invocation of the charge, the immovable asset / property will have to be sold only to a person resident in India and the sale proceeds shall be repatriated to liquidate the outstanding ECB.

**(b) Creation of Charge on Movable Assets**

In the event of enforcement / invocation of the charge, the claim of the lender, whether the lender takes over the movable asset or otherwise, will be restricted to the outstanding claim against the ECB. Encumbered movable assets may also be taken out of the country.

**(c) Creation of Charge over Financial Securities**

- i. Pledge of shares of the borrowing company held by the promoters as well as in domestic associate companies of the borrower will be permitted. Pledge on other financial securities, viz. bonds and debentures, Government Securities, Government Savings Certificates, deposit receipts of securities and units of the Unit Trust of India or of any mutual funds, standing in the name of ECB borrower/promoter, will also be permitted.
- ii. In addition, security interest over all current and future loan assets and all current assets including cash and cash equivalents, including Rupee accounts of the borrower with AD Category-I banks in India, standing in the name of the borrower/promoter, can be used as security for ECB. The Rupee accounts of the borrower/promoter can also be in the form of escrow arrangement or debt service reserve account.
- iii. In case of invocation of pledge, transfer of financial securities shall be in accordance with the extant FDI/FII policy including provisions relating to sectoral cap and pricing as applicable read with the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000.

**(d) Issue of Corporate or Personal Guarantee**

- i. A copy of Board Resolution for the issue of corporate guarantee for the company issuing such guarantee, specifying name of the officials authorised to execute such guarantees on behalf of the company or in individual capacity should be obtained.
  - ii. Specific requests from individuals to issue personal guarantee indicating details of the ECB should be obtained.
  - iii. Such security shall be subject to provisions contained in the Foreign Exchange Management (Guarantees) Regulations, 2000.
4. These amendments to the ECB guidelines shall come into force with immediate effect, subject to review from time to time. All other provisions related to raising of ECB remain unchanged.
5. AD Category – I banks may bring the contents of this Circular to the notice of their constituents and customers.
6. The directions contained in the 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 required, if any, under any other law.

Yours faithfully

**B P Kanungo**  
**Principal Chief General Manager**



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

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**RBI/2014-15/387**

**A.P. (DIR Series) Circular No. 56**

**January 6, 2015**

To

All Authorised Dealer Category - I Banks

Madam /Sir

**Non-resident guarantee for non-fund based facilities entered between two resident entities**

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to [A. P. \(DIR Series\) Circular No. 20 dated August 29, 2012](#) in terms of which non-resident guarantee for non-funded facilities such as Letters of Credit/guarantees/Letters of Undertaking (LoU) /Letter of Comfort (LoC) entered between two persons resident in India is allowed under the general permission route.

2. It is clarified that under the provisions of aforesaid Circular, residents that are subsidiaries of multinational companies can also hedge their foreign currency exposure through permissible derivative contracts executed with an AD Category – I bank in India on the strength of guarantee of its non-resident group entity. The method of discharge of liability by the non-resident guarantor under the guarantee and the subsequent repayment of the liability by the principal debtor shall continue to be governed, as hitherto, by the provisions of [A.P. \(DIR Series\) Circular No. 28 dated March 30, 2001](#).

3. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

4. 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

B. P. Kanungo  
Principal Chief General Manager



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI//2014-15/388  
A.P. (DIR Series) Circular No.57

January 06, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 144 million  
to the Government of the Republic of Liberia**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated September 11, 2013 with the Government of the Republic of Liberia for making available to the latter, a Line of Credit (LOC) of USD 144 million (USD One Hundred and Forty four Thousand) for financing Power Transmission and Distribution Project. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from December 19, 2014 and the date of execution of Agreement is September 11, 2013. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date of contract in the case of

project exports and 72 months (September 10, 2019) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(C. D. Srinivasan)**  
**Chief General Manager**



**RESERVE BANK OF INDIA**  
**Financial Markets Regulation Department**  
**Central Office**  
**Mumbai - 400 001**

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**RBI/2014-15/401**  
**A.P. (DIR Series) Circular No.58**

**January 14, 2015**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Risk Management and Inter Bank Dealings: Hedging under Past Performance Route-  
Liberalisation of Documentation Requirements in the OTC market**

Attention of Authorised Dealers Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 ([Notification No. FEMA/25/RB-2000 dated May 3, 2000](#)) as amended from time to time and [A.P. \(DIR Series\) circular no. 32 dated December 28, 2010](#), as amended from time to time.

2. In order to further rationalise the documentation process for exporters and importers relating to hedging of probable exposures based on past performance, the extant guidelines in this regard have been revised as follows:

- a) In terms of paragraph (2)(g)(ii) of section B contained in the annex to the above circular, importers and exporters are required to furnish a quarterly declaration, as per Appendix M, duly certified by the Statutory Auditor, to the AD Category I banks regarding amounts booked with other AD Category I banks under this facility. It has now been decided that importers and exporters shall, henceforth, be required to furnish a quarterly declaration to the same effect as per the format in Annex I to this circular signed by the Chief Financial Officer (CFO) and the Company Secretary (CS). In the absence of a CS, the Chief Executive Officer (CEO) or the Chief Operating Officer (COO) shall co-sign the undertaking along with the CFO.
  
- b) Further, in terms of paragraph (2)(g)(iv), aggregate outstanding contracts in excess of 50 per cent of the eligible limit may be permitted by AD Category I banks on being satisfied about the genuine requirements of their customers after examination of the following documents:

- A certificate from the Statutory Auditor of the customer that all guidelines have been adhered to while utilizing this facility; and
- A certificate of import/export turnover of the customer during the past three years duly certified by their Statutory Auditor in the format given in Appendix K.

It has now been decided that, henceforth, AD Category I banks may permit aggregate outstanding contracts in excess of 50 per cent of the eligible limit on being satisfied about the genuine requirements of their customers after examination of a document as per the format in Annex II to this circular, signed by the CFO and CS, containing the following:

- A declaration that all guidelines have been adhered to while utilizing this facility; and
- A certificate of import/export turnover of the customer during the past three years.

In the absence of a CS, the CEO or the COO shall co-sign the undertaking along with the CFO.

c) As part of the annual audit exercise, the Statutory Auditor shall also certify the following:

- i. The amounts booked with AD Category-I banks under this facility; and
- ii. All guidelines have been adhered to while utilizing this facility over the past financial year.

3. All other operational guidelines, terms and conditions shall remain unchanged.

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

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) and are without prejudice to permissions/ approvals, if any, required under any other law.

**Yours faithfully**

**(Dimple Bhandia)**  
**General Manager-in-Charge**

**Format of Declaration of amounts booked/cancelled under Past Performance facility**

[On letterhead of the Company]

Date:

To,

(Name and address of the Bank)

Dear Sir,

**Sub: Declaration of amounts booked/cancelled under Past Performance facility**

We refer to the facility of booking of Forward or Option Contracts involving Foreign Exchange, based on the past performance facility with Authorised Dealer Category I Banks (AD Category I Banks), more specifically in relation to the undertaking submitted by us to you, dated [ ] in this regard ("Undertaking").

In accordance with the said Undertaking, we hereby furnish a declaration regarding the amounts of the transactions booked by us with all AD Category I banks.

We are availing the past performance limit with the following AD Category I banks:

.....

Please find below the information regarding amounts booked / cancelled with all AD Category I Banks under the said past performance facility as permitted under the FEMA, 1999 Regulations :

(Amount in US Dollar)

Eligible limit under past performance	Aggregate amount of contracts booked with all the ADs from April till date	Amount of contracts cancelled with all ADs from April till date _____	Amount of contracts o/s with all ADs as on date	Amount utilised (by delivery of documents) as on date	Available limits under past performance as on date

Thanking you,

Yours faithfully,

For XXXXXX

(Chief Financial Officer)

(Company Secretary)

**Format for Declaration for utilisation of past performance limits in excess of 50 per cent and details of import / export turnover, overdues, etc.**

[On letterhead of the Company]

Date:

To,

(Name and address of the Bank)

Dear Sir,

**Sub: Declaration for utilisation of past performance limits in excess of 50 per cent and details of import / export turnover, overdues, etc.**

1. The value of the outstanding forward cover availed by us under the past performance route as on [date] is [ ] per cent of our eligibility for our imports [exports].
2. We certify that all guidelines in respect of hedging of probable exposures under the past performance route have been complied with while utilizing this facility.
3. We declare that the information in the table below is true to the best of our knowledge and is provided in support of our application to hedge our currency risk under the past performance route using permitted foreign exchange derivative contracts in terms of Regulations and Guidelines issued under FEMA, 1999 (Act 42 of 1999).

(Amount in USD million)

<b>Financial Year (April-March)</b>	<b>Turnover</b>		<b>Percentage of overdue bills to turnover</b>		<b>Existing limit for booking of forward cover based on past performance</b>	
	<b>Import</b>	<b>Export</b>	<b>Import</b>	<b>Export</b>	<b>Export</b>	<b>Import</b>
Year 1						
Year 2						
Year 3						

Yours faithfully,

For XXXXXX

(Chief Financial Officer)

(Company Secretary)



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

RBI/2014-2015/419  
A.P. (DIR Series) Circular No.59

January 22, 2015

To  
All Category-I Authorised Dealer Banks

Madam / Sir,

Overseas Direct Investments by proprietorship concern / unregistered partnership firm in India - Review

Attention of the Authorised Dealer (AD - Category I) banks is invited to the provisions of the [Notification No. FEMA.120/RB-2004 dated July 7, 2004](#) [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time.

2. Keeping in view the changes in the definition / classification of the exporters as per the Foreign Trade Policy of the Ministry of Commerce and Industry issued from time to time, it has been decided to review the policy framework for Overseas Direct Investments (ODI) by a proprietorship concern / unregistered partnership firm in India. Accordingly, henceforth, the following revised terms and conditions are required to be complied with for considering the proposal of ODI, by a proprietorship concern / unregistered partnership firm in India, by the Reserve Bank under the approval route:

- (a) The proprietorship concern / unregistered partnership firm in India is classified as 'Status Holder' as per the Foreign Trade Policy issued by the Ministry of Commerce and Industry, Govt. of India from time to time;
- (b) The proprietorship concern / unregistered partnership firm in India has a proven track record, i.e., the export outstanding does not exceed 10% of the average export realisation of the preceding three years and a consistently high export performance;
- (c) The Authorised Dealer bank is satisfied that the proprietorship concern / unregistered partnership firm in India is KYC (Know Your Customer)



compliant, engaged in the proposed business and has turnover as indicated;

- (d) The proprietorship concern / unregistered partnership firm in India has not come under the adverse notice of any Government agency like the Directorate of Enforcement, Central Bureau of Investigation, Income Tax Department, etc. and does not appear in the exporters' caution list of the Reserve Bank or in the list of defaulters to the banking system in India; and
- (e) The amount of proposed investment outside India does not exceed 10 per cent of the average of last three years' export realisation or 200 per cent of the net owned funds of the proprietorship concern / unregistered partnership firm in India, whichever is lower.

3. Necessary amendments to the Notification *ibid* has been issued vide [Notification No. FEMA.325/RB-2014 dated November 12, 2014](#) (copy enclosed), which is effective from the date of publication in the Gazette i.e. January 05, 2015.

4. AD - Category I banks may bring the contents of this Circular to the notice of their constituents and customers concerned.

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

Yours faithfully,

(C D Srinivasan)  
Chief General Manager



भारतीय रिज़र्व बैंक  
RESERVE BANK OF INDIA  
[www.rbi.org.in](http://www.rbi.org.in)

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RBI/2014-15/420

A.P. (DIR Series) Circular No. 60

January 22, 2015

To

All Category – I Authorised Dealer banks

Madam/Sir,

**Foreign Direct Investment (FDI) in India – Review of FDI policy –Sector Specific conditions- Construction Development**

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 vide [Notification No. FEMA 20/2000-RB dated May 3, 2000](#), as amended from time to time. In terms of Schedule 1 to the Notification ibid, 100% Foreign Direct Investment (FDI) is permitted under Automatic route in Construction Development sector subject to conditions.

2. The extant FDI policy for Construction Development sector has since been reviewed. Accordingly, effective December 3, 2014 100% FDI under automatic route shall be permitted in construction development sector subject to the conditions specified in the Press Note 10 (2014 Series) dated December 3, 2014.
3. [A copy of Press Note No.10 \(2014 Series\) dated December 3, 2014](#) issued in this regard by DIPP, Ministry of Commerce & Industry, Government of India is appended.
4. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Sixteenth Amendment) Regulations, 2014 notified vide [Notification No.](#)

FEMA.329/2014-RB dated December 8, 2014, c.f. G.S.R. No. 906(E) dated December 22, 2014.

5. Authorised Dealer banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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,

**(B.P. Kanungo)**  
Principal Chief General Manager

RBI/2014-15/421  
A.P. (DIR Series) Circular No. 61

January 22, 2015

To

All Category – I Authorised Dealer Banks

Madam / Sir,

### **Depository Receipts Scheme**

Attention of Authorised Dealer Category – I (AD Category-I) banks is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (the Principal Regulations) notified by the Reserve Bank vide [Notification No. FEMA. 20/2000-RB dated 3rd May 2000](#), as amended from time to time.

2. A new scheme called ‘Depository Receipts Scheme, 2014’ (DR Scheme, 2014) for investments under ADR/GDR have been notified by the Central Government effective from December 15, 2014 which provides for repeal of extant guidelines for Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 except to the extent relating to foreign currency convertible bonds.

3. The salient features of the new scheme are:

- The securities in which a person resident outside India is allowed to invest under Schedule 1, 2, 2A, 3, 5 and 8 of [Notification No. FEMA. 20/2000-RB dated 3rd May 2000](#) shall be eligible securities for issue of Depository Receipts in terms of DR Scheme 2014;
- A person will be eligible to issue or transfer eligible securities to a foreign depository for the purpose of issuance of depository receipts as provided in DR Scheme 2014.
- The aggregate of eligible securities which may be issued or transferred to foreign depositories, along with eligible securities already held by persons

resident outside India, shall not exceed the limit on foreign holding of such eligible securities under the extant FEMA regulations, as amended from time to time.

- The eligible securities shall not be issued to a foreign depository for the purpose of issuing depository receipts at a price less than the price applicable to a corresponding mode of issue of such securities to domestic investors under FEMA, 1999.
  - It is to be noted that if the issuance of the depository receipts adds to the capital of a company, the issue of shares and utilisation of the proceeds shall have to comply with the relevant conditions laid down in the Regulations framed and Directions issued under FEMA, 1999.
  - The domestic custodian shall report the issue/transfer of sponsored/unsponsored depository receipts as per DR Scheme 2014 in 'Form DRR' as given in Annex within 30 days of close of the issue/ program.
4. AD Category - I banks may bring the contents of the circular to the notice of their customers/constituents concerned.
5. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Seventeenth Amendment) Regulations, 2014 notified vide [Notification No. FEMA.330/2014-RB dated December 15, 2014](#), c.f. G.S.R. No. 914(E) dated December 24, 2014.
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

(B.P. Kanungo)  
Principal Chief General Manager

**Form DRR**

**Return to be filed by the Domestic Custodian who has arranged issue/transfer of Depository Receipts**

**Instructions:** The Form should be completed and submitted by the Domestic Custodian to the Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central Office, Mumbai.

1. Name of the Domestic Custodian :
2. Address of the Domestic Custodian:
3. Details of the Security:
4. Details of the issuer of the security
  
5. Activity of the issuer of security (please give the NIC Code of the activity in which the company is predominantly engaged)<sup>1</sup>
  
6. Whether sponsored or unsponsored
  
7. If sponsored, name and address of the sponsor.
  
8. Name and address of the Lead Manager/  
Investment/Merchant Banker

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<sup>1</sup> In terms of [AP \(DIR Series\) Circular No 5 dated July 17, 2014](#), NIC 2008 codes may be reported

9. Name and address of the Sub-Managers to the issue

10. Details of FIPB approval (If foreign investment in the company is subject to FIPB approval)

11. Whether any overall sectoral cap for foreign investment is applicable. If yes, please give details.

12. If the issue of DR increases the equity capital of the company or is sponsored by the company:

**Details of the Equity Capital**

<u>Before Issue</u>	<u>After Issue</u>
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(a) Authorised Capital

(b) Issued and Paid-up Capital

(i) Held by persons Resident in India

(ii) Held by foreign investors other than FIIs/NRIs/PIOs/ OCBs (a list of foreign investors holding more than 10 percent of the paid-up capital and number of shares held by each of them should be furnished)

(iii) Held by NRIs/PIOs

(iv) Held by FIIs/QFIs/registered FPIs

Total Equity held by non-residents

(c) Percentage of equity held by non-residents to total paid-up capital

(d) Details of repatriation/utilisation of the proceeds

13. Number of DRs issued

14. Ratio of DRs to underlying securities

15. Whether funds are kept abroad. If yes, name and address of the bank

16. Whether the DR is listed/traded on an International Exchange or trading platform. If so, details of the exchange/trading platform.

Name of Stock Exchange

Date of commencement of trading

17. The date on which DRs issue was launched

Certified that all the conditions laid down by Government of India and Reserve Bank of India have been complied with.

Sd/-  
Chartered Accountant

Sd/-  
Authorised Signatory of  
the Company



RBI/2014-15/423

A.P. (DIR Series) Circular No.62

January 22, 2015

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) Regulations, 2000 – Remittance of salary**

Attention of Authorised Dealer Category – I banks is invited to [A. P. \(DIR Series\) Circular No. 26 dated January 14, 2010](#) and sub-regulation 8 of Regulation 7 of [Notification No. FEMA 10/2000-RB dated May 3, 2000](#) viz. Foreign Exchange Management (Foreign Currency Account by a person resident in India) Regulation, 2000(as amended from time).

2. We have been receiving queries whether remittance of salary outside India can be affected for employees on deputation to a group company in India and for employees of Limited Liability Partnership.
3. The extant instructions have been reviewed and it is hereby informed that the facility available to an employee of a company under Regulation 7(8) of Notification No. FEMA 10 (as amended from time to time) shall also be available to an employee who is deputed to a group company in India. In addition, the term ‘company’ referred to in the said regulation will include ‘Limited Liability Partnership’ as defined in the LLP Act, 2008.
4. Accordingly, it is hereby informed that Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Foreign Currency Accounts by a Person Resident in India) (Amendment) Regulations, 2014 notified vide [Notification No. FEMA. 328/2014-RB dated December 3, 2014](#) c.f. G.S.R. No.913(E) dated December 24, 2014.

5. AD Category- I banks may bring the contents of the circular to the notice of their constituents concerned.
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 is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(C D Srinivasan)  
Chief General Manager

RBI/2014-15/424

A.P. (DIR Series) Circular No.63

January 22, 2015

To  
All Authorised Persons

Madam/ Sir,

**Export and Import of Indian Currency**

Attention of Authorised Persons is invited to Regulation 8 of Foreign Exchange Management (Export and Import of Currency) Regulations, 2000, in terms of which, inter-alia, a person may take or send out of India to Nepal or Bhutan and bring into India from Nepal or Bhutan, currency notes of Government of India and Reserve Bank of India for any amount in denominations up to Rs.100/-.

2. With a view to mitigating the hardship of individuals visiting from India to Nepal or Bhutan, it has now been decided that, an individual may carry to Nepal or Bhutan, currency notes of Reserve Bank of India denominations above Rs.100/-, i.e. currency notes of Rs.500/- and/or Rs.1000/- denominations, subject to a limit of Rs.25000/-.
3. Authorised Persons may bring the contents of this circular to the notice of their constituents and customers.
4. Necessary amendments to Foreign Exchange Management (Export and Import of Currency) Regulations 2000 ([Notification No.FEMA.6/2000-RB dated May 3, 2000](#)) have been notified as Foreign Exchange Management (Export & Import of Currency) (Second Amendment) Regulations, 2014 [[Notification No. FEMA331/2014-RB dated December 16, 2014](#)] in the Official Gazette vide G.S.R. Nos.907(E) dated December 22, 2014, a copy of which is annexed.
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) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(B P Kanungo)**  
**Principal Chief General Manager**



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

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**RBI/2014-15/425**

**A.P. (DIR Series) Circular No.64**

**January 23, 2015**

To

The Authorised Dealer Category-I Banks

Madam / Dear Sir

**External Commercial Borrowings (ECB) Policy – Simplification of Procedure**

Attention of the Authorised Dealer (AD) Category-I banks is invited to the following provisions contained in the undernoted A.P. (DIR Series) Circulars through which powers have been delegated to them to deal with cases related to change in draw-down and repayment schedules of ECBs subject to conditions stipulated therein:

- i. Provisions contained in the paragraph 3 (a) of [A.P. \(DIR Series\) Circular No. 33 dated February 09, 2010](#)
  - ii. Provisions contained in paragraphs 3 (a) and (b) of [A.P. \(DIR Series\) Circular No. 75 dated February 07, 2012](#)
  - iii. Provisions contained in the [A.P. \(DIR Series\) Circular No. 128 dated May 09, 2014](#).
2. On a review, as a measure of simplification of the existing procedure for rescheduling / restructuring of ECBs and in supersession of aforesaid provisions, it has been decided to delegate powers to the designated AD Category-I banks to allow:
- i. Changes / modifications (irrespective of the number of occasions) in the draw-down and repayment schedules of the ECB whether associated with change in the average maturity period or not and / or with changes (increase/decrease) in the all-in-cost.
  - ii. Reduction in the amount of ECB (irrespective of the number of occasions) along with any changes in draw-down and repayment schedules, average maturity period and all-in-cost.
  - iii. Increase in all-in-cost of ECB, irrespective of the number of occasions.

3. This measure is subject to the designated AD Category-I bank ensuring the following:

- i. Revised average maturity period and / or all-in-cost is / are in conformity with the applicable ceilings / guidelines; and
- ii. The changes are effected during the tenure of the ECB.

4. If the lender is an overseas branch / subsidiary of an Indian bank, the changes shall be subject to the applicable prudential norms.

5. It has also been decided to delegate powers to the designated AD Category-I banks to permit changes in the name of the lender of ECB after satisfying themselves with the bonafides of the transactions and ensuring that the ECB continues to be in compliance with applicable guidelines. Further, the AD Category-I banks may also allow the cases requiring transfer of the ECB from one company to another on account of re-organisation at the borrower's level in the form of merger / demerger / amalgamation / acquisition duly as per the applicable laws / rules after satisfying themselves that the company acquiring the ECB is an eligible borrower and ECB continues to be in compliance with applicable guidelines.

6. These measures of simplification will be applicable for ECBs raised both under the automatic and approval routes. FCCBs will, however, not be covered within these provisions.

7. These changes in the terms and conditions of ECB and / or any other changes allowed by the AD Category-I banks under the powers already delegated and / or changes approved by the Reserve Bank should be reported to the Department of Statistics and Information Management (DSIM) of the Reserve Bank through revised Form 83 at the earliest, in any case not later than 7 days from the changes effected. While submitting revised Form 83 to the DSIM, the changes should be specifically mentioned in the communication. Further, these changes should also get reflected in the ECB 2 returns appropriately.

8. The modification to the ECB policy will come into force with immediate effect. All other aspects of the ECB policy shall remain unchanged.

9. AD Category-I banks may bring the contents of this Circular to the notice of their constituents and customers.

10. 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 required, if any, under any other law.

Yours faithfully

B P Kanungo  
Principal Chief General Manager



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/428  
A.P. (DIR Series) Circular No.65

January 27, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 22.50 million  
to the Government of the Republic of Gambia**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated October 29, 2014 with the Government of the Republic of Gambia for making available to the latter, a Line of Credit (LOC) of USD 22.50 million (USD Twenty two million five hundred thousand) for financing eligible goods, Machinery, equipment and services including consultancy services from India for the purpose for replacement of Asbestos Water Pipes with UPVC pipes in the greater Banjul Area in the Gambia. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from December 26, 2014 and the date of execution of Agreement is October 29, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date of contract in the case of

Project exports and 72 months (October 28, 2020) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in)

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

Yours faithfully,

**(C. D. Srinivasan)**  
**Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/429  
A.P. (DIR Series) Circular No.66

January 27, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 100 million  
to the Government of the Federal Republic of Nigeria**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated May 22, 2014 with the Government of the Federal Republic of Nigeria for making available to the latter, a Line of Credit (LOC) of USD 100 million (USD One hundred million) for financing eligible goods, Machinery, equipment and services including consultancy services from India for the purpose of financing completion of three power sector projects in Nigeria viz. [i] Supply and Commissioning of Transmission lines, 33 KV, 33/0/415 KV distribution transformers and associated accessories for 96 communities in three senatorial zones of Enugu State [USD 40.00 million]; [ii] 132/33 KV substation, solar mini grid electrification and solar street lighting in the state of Kaduna [USD 29.85 million]; and [iii] construction of 2 x 26 MW gas-based power plant in the cross river state [USD 30.00 million]. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from December 31, 2014 and the date of execution of Agreement is May 22, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date of contract in the case of Project exports and 72 months (May 21, 2020) from the execution date of the Credit Agreement in the case of supply contracts.
3. Shipments under the LOC will have to be declared on GR / SDF Forms as per instructions issued by the Reserve Bank from time to time.
4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.
5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in)
6. The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(C. D. Srinivasan)  
Chief General Manager**

RBI/2014-15/432  
A.P.(DIR Series) Circular No.67

January 28, 2015

To,

All Authorised Persons, who are Indian Agents under Money Transfer Service Scheme.

Madam/ Dear Sir,

**Anti-Money Laundering (AML) standards/Combating the Financing of Terrorism (CFT) Standards - Cross Border Inward Remittance under Money Transfer Service Scheme**

Please refer to our [A.P.\(DIR Series\) Circular No.35 dated September 04, 2013](#) on risks arising from the deficiencies in AML/CFT regime of certain jurisdictions.

2. Financial Action Task Force (FATF) has updated its Statement on the subject and document 'Improving Global AML/CFT Compliance: on-going process' on October 24, 2014. The statement /document can be accessed from the following URLs :  
<http://www.fatf-gafi.org/documents/documents/fatf-compliance-oct-2014.html>

and

<http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/documents/public-statement-oct2014.html>

3. Authorised Persons (Indian Agents) are accordingly advised to consider the information contained in the enclosed statement.

4. This, however, does not preclude Authorised Persons (Indian Agents) from legitimate transactions with these countries and jurisdictions.

5. These guidelines would also be applicable mutatis mutandis to all Sub-Agents of the Indian Agents under MTSS and it will be the sole responsibility of the APs (Indian Agents) to ensure that their Sub-agents also adhere to these guidelines.

6. Authorised Persons (Indian Agents) may bring the contents of this circular to the notice of their constituents concerned.

7. The directions contained in this Circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the, Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009 and Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 as amended from time to time and are without prejudice to permission/approvals, if any, required under any other law.

Yours faithfully,

**(B P Kanungo)**  
**Principal Chief General Manager**

RBI/2014-15/433  
A.P.(DIR Series) Circular No.68

January 28, 2015

To,

All Authorised Persons

Madam/ Dear Sir,

**Anti-Money Laundering (AML) standards/Combating the Financing of Terrorism (CFT) Standards - Money changing activities**

Please refer to our [A.P.\(DIR Series\) Circular No. 34 dated September 04, 2013](#) on risks arising from the deficiencies in AML/CFT regime of certain jurisdiction.

2. Financial Action Task Force (FATF) has updated its Statement on the subject and document 'Improving Global AML/CFT Compliance: on-going process' on October 24, 2014. The statement /document can be accessed from the following URLs :

<http://www.fatf-gafi.org/documents/documents/fatf-compliance-oct-2014.html>

and

<http://www.fatf-gafi.org/topics/high-riskandnon-cooperativejurisdictions/documents/public-statement-oct2014.html>

3. Authorised Persons are accordingly advised to consider the information contained in the enclosed statement.

4. This, however, does not preclude Authorised Persons from legitimate transactions with these countries and jurisdictions.

5. These guidelines are also applicable mutatis mutandis to all agents/ franchisees of Authorised Persons and it will be the sole responsibility of the franchisers to ensure that their agents / franchisees also adhere to these guidelines.

6. Authorised Persons may bring the contents of this circular to the notice of their constituents concerned.

7. The directions contained in this Circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the, Prevention of Money Laundering Act, (PMLA), 2002, as amended by Prevention of Money Laundering (Amendment) Act, 2009 and Prevention of Money-Laundering (Maintenance of Records of the Nature and Value of Transactions, the Procedure and Manner of Maintaining and Time for Furnishing Information and Verification and Maintenance of Records of the Identity of the Clients of the Banking Companies, Financial Institutions and Intermediaries) Rules, 2005 as amended from time to time and are without prejudice to permission /approvals, if any, required under any other law.

Yours faithfully,

**(B P Kanungo)**  
**Principal Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/440  
A.P. (DIR Series) Circular No.69

February 02, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 62.95 million  
to the Government of the Republic of Senegal**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated September 17, 2014 with the Government of the Republic of Senegal for making available to the latter, a Line of Credit (LOC) of USD 62.95 million (USD Sixty two million nine hundred and fifty thousand) for financing eligible goods, machinery, equipment and services including consultancy services from India for the purpose of financing Rice Self-Sufficiency Programme in the Republic of Senegal. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from January 01, 2015 and the date of execution of Agreement is September 17, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date of contract in the case of

Project exports and 72 months (September 16, 2020) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in)

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

Yours faithfully,

(J K Pandey)  
**General Manager Officer-in-Charge**

RBI/2014-15/441

A.P.(DIR Series) Circular No.70

February 02, 2015

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**Foreign Direct Investment in Pharmaceuticals sector – Clarification**

Attention of Authorised Dealers Category – I (AD Category - I) banks is invited to [A.P. \(DIR Series\) Circular No.124 dated April 21, 2014](#) and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified vide [Notification No.FEMA 20/2000-RB dated May 3, 2000](#), as amended from time to time. In terms of Schedule 1 to the Notification ibid, Foreign Direct Investment (FDI) up to 100 per cent is permitted under automatic route for greenfield investments and FDI up to 100 per cent is permitted under Government approval route for brownfield investments (i.e. investments in existing companies) in pharmaceuticals sector.

2. The extant FDI policy for pharmaceutical sector has since been reviewed and it has now been decided with immediate effect that there would be a special carve out for medical devices which was earlier given the same treatment as pharmaceutical sector.
3. A copy of [Press Note No.2 \(2015 Series\) dated January 6, 2015](#) issued in this regard by Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India is enclosed.
4. AD Category - I banks may bring the contents of the circular to the notice of their customers/constituents concerned.
5. Reserve Bank has since amended the subject Regulations accordingly through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Amendment) Regulations, 2015 which have been notified

vide [Notification No.FEMA.334/2015-RB dated January 9, 2015](#), vide G.S.R. No. 30(E) dated January 14, 2015.

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,

**(J K Pandey)**  
**General Manager Officer-in-Charge**

RBI/2014-15/448

A. P. (DIR Series) Circular No. 71

February 03, 2015

To,

All Authorised Persons

Madam/ Sir,

### **Foreign investment in India by Foreign Portfolio Investors**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to Schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide [Notification No. FEMA.20/2000- RB dated May 3, 2000](#), as amended from time to time and to [A.P. \(DIR Series\) Circular No. 13 dated July 23, 2014](#) in terms of which all future investment in government securities by registered Foreign Portfolio Investors (FPIs) shall be required to be made in government bonds with a minimum residual maturity of three years.

**2.** Attention of AD Category-I banks is invited to the announcement in the [Sixth Bi-Monthly Monetary Policy Statement, 2014-15, issued on February 03, 2015](#) in terms of which all future investment by FPIs in the debt market in India will be required to be made with a minimum residual maturity of three years.

**3.** Accordingly, all future investments by an FPI within the limit for investment in corporate bonds shall be required to be made in corporate bonds with a minimum residual maturity of three years. Further, all future investments against the limits vacated when the current investment runs off either through sale or redemption, shall be required to be made in corporate bonds with a minimum residual maturity of three years.

**4.** FPIs shall not be allowed to make any further investment in liquid and money market mutual fund schemes.

5. There will, however, be no lock-in period and FPIs shall be free to sell the securities (including those that are presently held with less than three years residual maturity) to domestic investors.
6. The aforesaid directions come into force with immediate effect. Further operational guidelines, if any, will be issued by SEBI.
7. All other existing conditions for investment by FPIs in the debt market remain unchanged.
8. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
9. 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,

(B. P. Kanungo)  
Principal Chief General Manager



RBI/2014-15/453

A. P. (DIR Series) Circular No. 72

February 05, 2015

To,

All Authorised Persons

Madam/ Sir,

### **Foreign investment in India by Foreign Portfolio Investors**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to schedule 5 to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide [Notification No. FEMA.20/2000-RB dated May 3, 2000](#), as amended from time to time, in terms of which registered Foreign Portfolio Investors (FPIs) may purchase, on repatriation basis Government securities and non-convertible debentures (NCDs) / bonds issued by an Indian company subject to such terms and conditions as mentioned therein and limits as prescribed for the same by the Reserve Bank of India and Securities and Exchange Board of India from time to time.

**2.** Attention of AD Category-I banks is also invited to the announcement in the [Sixth Bi-Monthly Monetary Policy Statement, 2014-15, issued on February 03, 2015](#) in terms of which reinvestment of coupons in Government securities will be enabled even when the existing limits are fully utilised.

**3.** Accordingly, FPIs shall be permitted to invest in government securities, the coupons received on their existing investments in government securities. These investments shall be kept outside the applicable limit (currently USD 30 billion) for investments by FPIs in government securities. AD Category – I banks shall ensure reporting of such investments as may be prescribed from time to time.

- 4.** The aforesaid directions come into force with immediate effect. Further operational guidelines will be issued by SEBI.
- 5.** All other existing conditions for investment by FPIs in the Government securities market remain unchanged for this additional facility as well.
- 6.** AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
- 7.** 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,

(B. P. Kanungo)  
Principal Chief General Manager



RBI/2014-15/460  
A. P. (DIR Series) Circular No.73

February 06, 2015

To,  
All Authorised Persons

Madam/ Sir,

**Foreign investment in India by Foreign Portfolio Investors**

Attention of AD Category-I banks is invited to the announcement in the [Sixth Bi-Monthly Monetary Policy Statement, 2014-15](#), issued on February 03, 2015 and [A.P. \(DIR Series\) Circular No. 71 dated February 03, 2015](#) in terms of which all future investments by registered Foreign Portfolio Investors (FPIs) in the debt market in India will be required to be made with a minimum residual maturity of three years.

**2.** In this context, the Reserve Bank has been receiving some enquiries about the applicability of the aforesaid directions. The queries raised and our clarifications thereon are as under:

- a. **Query:** The applicability of the directions to investment by FPIs in commercial papers (CPs).

**Clarification:** In terms of the aforesaid directions, any fresh investments shall be permitted in any type of debt instrument in India with a minimum residual maturity of three years. Accordingly, FPIs shall not be allowed to make any further investment in CPs.

- b. **Query:** The applicability of these guidelines on debt instruments having maturity of three years and over but with optionality clause of less than three years.

**Clarification:** FPIs shall not be allowed to make any further investments in debt instruments having minimum initial / residual maturity of three years with optionality clause exercisable within three years.

- c. **Query:** The applicability of these guidelines on amortised debt instruments having average maturity of three years and above.

**Clarification:** FPIs shall be permitted to invest in amortised debt instruments provided the duration of the instrument is three years and above.

**3.** Any arrangement that negates any of the above shall not be in conformity with the provisions of the A.P. (DIR Series) Circular No. 71 dated February 03, 2015.

**4.** AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers 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) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(B. P. Kanungo)  
Principal Chief General Manager



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

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**RBI/2014-15/461**

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

**February 09, 2015**

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**Delay in Utilization of Advance Received for Exports**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to the sub-regulation (1) of Regulation 16 of the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000, notified vide [Notification No. FEMA 23 / RB-2000, dated May 3, 2000](#), as amended from time to time read with [A.P. \(DIR Series\) Circular No. 105 dated May 20, 2013](#), [A.P. \(DIR Series\) Circular No. 108 dated June 11, 2013](#) and [A.P. \(DIR Series\) Circular No. 37 dated November 20, 2014](#) in terms of which an exporter receiving an advance payment for exports (with or without interest) from a buyer outside India shall be under an obligation to ensure that the shipment of goods is made within the stipulated period from the date of receipt of advance payment.

2. As it has been observed that there is substantial increase in the number and amount of advances received for exports remaining outstanding beyond the stipulated period on account of non-performance of such exports (shipments in case of export of goods), AD Category –I banks are advised to efficiently follow up with the concerned exporters in order to ensure that export performance (shipments in case of export of goods) are completed within the stipulated time period.

3. It is further reiterated that AD category –I banks should exercise proper due diligence and ensure compliance with KYC and AML guidelines so that only bonafide export advances flow into India. Doubtful cases as also instances of chronic

defaulters may be referred to Directorate of Enforcement (DoE) for further investigation. A quarterly statement indicating details of such cases (as per Annex) may be forwarded to the concerned Regional Offices of RBI within 21 days from the end of each quarter.

4. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

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

Yours faithfully,

**(C. D. Srinivasan)  
Chief General Manager**

## **Annex**

## **Quarterly Statement showing details of overdue Export Advances**

**(Statement for the quarter ended ..... , 20... )**

**Name and Address of the Bank:**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI//2014-15/464  
A.P. (DIR Series) Circular No.75

February 11, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 22.50 million  
to the Government of the Republic of Gambia**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated October 29, 2014 with the Government of the Republic of Gambia for making available to the latter, a Line of Credit (LOC) of USD 22.50 million (USD Twenty two million Five hundred thousand) for financing eligible goods, machinery, equipment and services including consultancy services from India for the purpose of financing electrification expansion project for the greater Banjul Area in the Gambia. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from December 26, 2014 and the date of execution of Agreement is October 29, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date of contract in the case of

Project exports and 72 months (October 28, 2020) from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in)

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

Yours faithfully,

**(C. D. Srinivasan)**  
**Chief General Manager**



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

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**RBI/2014-15/467**

**A. P. (DIR Series) Circular No.76**

**February 12, 2015**

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**Foreign Exchange Management Act, 1999 – Import of Goods into India**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to the [A.P.\(DIR Series\) Circular No. 82 dated February 21, 2012](#) in terms of which applications by persons, firms and companies for making payments, exceeding USD 5,000 or its equivalent towards imports into India must be made in Form A-1.

2. To further liberalise and simplify the procedure, it has been decided to dispense with the requirement of submitting request in Form A-1 to the AD Category –I Banks for making payments towards imports into India. AD Category –I may however, need to obtain all the requisite details from the importers and satisfy itself about the bonafides of the transactions before effecting the remittance.
3. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
4. The directions contained in this circular have been issued under Section 10 (4) and Section 11 (1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(C. D. Srinivasan)**  
**Chief General Manager**

**RBI//2014-15/468**

**A.P (DIR Series) Circular No. 77**

**February 12, 2015**

To

All Category – I Authorised Dealer Banks

Madam/Sir

**Foreign Direct Investment –  
Reporting under FDI Scheme on the e-Biz platform**

Attention of Authorised Dealers Category-I (AD Category - I) banks is invited to the provisions of 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. Attention of AD Category – I banks is also invited to [A.P. \(DIR Series\) Circular No.102 dated February 11, 2014](#) and [A.P. \(DIR Series\) Circular No.6 dated July 18, 2014.](#)

2. With a view to promoting the ease of reporting of transactions under foreign direct investment, the Reserve Bank of India, under the aegis of the e-Biz project of the Government of India has enabled the filing of the following returns with the Reserve Bank of India viz.

- Advance Remittance Form (ARF) - used by the companies to report the foreign direct investment (FDI) inflow to RBI; and
- FCGPR Form - which a company submits to RBI for reporting the issue of eligible instruments to the overseas investor against the above mentioned FDI inflow.

3. The design of the reporting platform enables the customer to login into the e-Biz portal, download the reporting forms (ARF and FCGPR), complete and then upload the same onto the portal using their digitally signed certificates. The Authorised Dealer Banks (ADs) will be required to download the completed forms,

verify the contents from the available documents, if necessary by calling for additional information from the customer and then upload the same for RBI to process and allot the Unique Identification Number (UIN). It has been decided that the ARF and FCGPR services of RBI will be operational on the e-Biz platform from **February 19, 2015**. The user manual for the two services is [Annexed](#) to this Circular.

4. It may be noted that for the present, the online reporting on the e-Biz platform is an additional facility to the Indian companies to undertake their ARF and FCGPR reporting and the manual system of reporting as prescribed in terms of A.P. (DIR Series) Circular No. 102 dated February 11, 2014 would continue till further notice.

5. The ADs will be required to access the e-Biz portal (which is hosted on the National Informatics Centre (NIC) servers) using a Virtual Private Network (VPN) Account obtained from NIC. The financial aspects for obtaining/using the VPN accounts is being finalised in consultation with Government of India, DIPP and NIC. The same will be informed in due course.

6. AD Category-I banks may bring the contents of this circular to the notice of their customers / constituents concerned. They are advised to extend due cooperation/assistance to their constituents for uploading the abovementioned forms on the e-Biz platform.

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

Yours faithfully,

(C D Srinivasan)  
Chief General Manager



**RESERVE BANK OF INDIA**  
**Financial Markets Regulation Department**  
**Central Office**  
**Mumbai - 400 001**

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**RBI/2014-15/469**

**February 13, 2015**

**A.P. (DIR Series) Circular No. 78**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Risk Management and Inter Bank Dealings: Foreign Currency (FCY) – INR Swaps**

Attention of Authorised Dealers Category-I (AD Category-I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 ([Notification No. FEMA/25/RB-2000 dated May 3, 2000](#)) as amended from time to time and [A.P. \(DIR Series\) circular no. 32 dated December 28, 2010](#), as amended from time to time.

2. In terms of paragraph (1) (iv) of section B contained in the annex to the above circular, eligible residents can enter into FCY-INR swaps to hedge exchange rate and/or interest rate risk exposure arising out of long-term foreign currency borrowing or to transform long-term INR borrowing into foreign currency liability, subject to operational guidelines, terms and conditions listed thereunder. As per condition listed at (e), swap transactions, once cancelled, shall not be rebooked or reentered, by whichever mechanism or by whatever name called.

3. To permit greater flexibility to the residents borrowing in foreign currency, it has been decided that in cases where the underlying is still surviving, the client, on cancellation of the swap contract, may be permitted to re-enter into a fresh FCY-INR swap to hedge the underlying but only after the expiry of the tenor of the original swap contract that had been cancelled. All other operational guidelines, terms and conditions governing FCY-INR swaps remain unchanged.

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

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) and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully

**(Dimple Bhandia)  
General Manager**



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

**RBI/2014-15/474  
A.P. (DIR Series) Circular No.79**

**February 18, 2015**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Guidelines on Import of Gold by Nominated Banks / Agencies**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to the provisions contained in [A.P.\(DIR Series\) Circular No.42 dated November 28, 2014](#) in terms of which the 20:80 scheme for import of gold was withdrawn in consultation with the Government .

2. The Reserve Bank of India and the Government have been receiving requests

for clarification on some of the operational aspects of the guidelines on import of gold consequent upon the withdrawal of 20:80 scheme. Accordingly, in consultation with the Government, the following clarifications are issued:

- (i) The obligation to export under the 20:80 scheme will continue to apply in respect of unutilised gold imported before November 28, 2014, i.e., the date of abolition of the 20:80 scheme.
- (ii) Nominated banks are now permitted to import gold on consignment basis. All sale of gold domestically will, however, be against upfront payments. Banks are free to grant gold metal loans.
- (iii) Star and Premier Trading Houses (STH/PTH) can import gold on DP basis as per entitlement without any end use restrictions.
- (iv) While the import of gold coins and medallions will no longer be prohibited, pending further review, the restrictions on banks in selling gold coins and medallions are not being removed.

3. AD Category -I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
  
4. The directions contained in this circular have been issued under Section 10 (4) and Section 11 (1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(B. P. Kanungo)**  
**Principal Chief General Manager**



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

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**RBI/2014-15/483**

**A.P. (DIR Series) Circular No.80**

**March 03, 2015**

To,

All Category - I Authorized Dealer Banks

Madam / Sir,

**External Commercial Borrowing (ECB) Policy — Review of all-in-cost ceiling**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 17 dated July 28, 2014](#) relating to the all-in-cost ceiling for ECB.

2. On a review, it has been decided that the all-in-cost ceiling as specified under paragraph 2 of [A.P. \(DIR Series\) Circular No. 99 dated March 30, 2012](#) will continue to be applicable till March 31, 2015 and is subject to review thereafter. All other aspects of ECB policy remain unchanged.
3. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
4. 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

(B. P. Kanungo)  
Principal Chief General Manager



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

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**RBI/2014-15/484**

**A.P. (DIR Series) Circular No.81**

**March 03, 2015**

To,

All Category - I Authorized Dealer Banks

Madam / Sir,

**Trade Credits for Imports into India — Review of all-in-cost ceiling**

Attention of Authorized Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 16 dated July 28, 2014](#) relating to the all-in-cost ceiling of Trade Credits for imports into India.

2. On a review it has been decided that the all-in-cost ceiling as specified under paragraph 4 of [A.P. \(DIR Series\) Circular No.28 dated September 11, 2012](#) will continue to be applicable till March 31, 2015 and is subject to review thereafter.
3. All other aspects of Trade Credit policy remain unchanged. AD Category-I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
4. 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

(B. P. Kanungo)  
Principal Chief General Manager



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

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RBI//2014-15/492  
A.P. (DIR Series) Circular No.82

March 09, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 34.54 million  
to the Government of the Republic of Niger**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated September 12, 2013 with the Government of the Republic of Niger for making available to the latter, a Line of Credit (LOC) of USD 34.54 million (USD Thirty Four Million and Five Hundred and Forty Thousand) for financing solar electrification of 30 villages (USD 9.84 million) and for setting up of solar photo voltaic system of 5 Megawatt (USD 24.70 million) in the Republic of Niger. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of eligible contract from outside India.

2. The Credit Agreement under the LOC is effective from February 18, 2015. Under the LOC, the last date for opening of letters of credit and disbursement will be 48 months from the scheduled completion date of contract in the case of project exports and 72 months (September 11, 2019)

from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(A. K. Pandey)  
Chief General Manager**



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

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RBI/2014-15/495

A.P. (DIR Series) Circular No.83

March 11, 2015

To

All Category – I Authorised Dealer Banks

Madam / Sir,

**Acquisition/transfer of immovable property – Prohibition on citizens of certain countries**

Attention of Authorised Dealers in Foreign Exchange is invited to Regulation 7 of Foreign Exchange Management (Acquisition and Transfer of immovable property in India) Regulations, 2000 notified vide [Notification No. FEMA 21/2000-RB dated 3rd May 2000](#) in terms of which no person being a citizen of Pakistan, Bangladesh, Sri Lanka, Afghanistan, China, Iran, Nepal or Bhutan without prior permission of the Reserve Bank shall acquire or transfer immovable property in India, other than lease, not exceeding five years.

2. It has been observed that Macau and Hong Kong are the two Special Administrative Regions of China. As they are notified separately, it has been decided, in consultation with the Government of India, that citizens of Macau and Hong Kong will also be included in the list of countries which are prohibited to

acquire/transfer immovable property in India in terms of Regulation 7 of FEMA ibid.

3. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Acquisition and Transfer of immovable property in India) (Amendment) Regulations, 2015 notified vide [Notification No. FEMA.335/2015-RB dated February 4, 2015](#) c.f. G.S.R. No.120 (E) dated February 24, 2015.

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 Section 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully

(B. P. Kanungo)  
Principal Chief General Manager



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/502  
A.P. (DIR Series) Circular No.84

March 17, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 5.0492 million  
to the Banco Exterior De Cuba**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated September 2, 2014 with the Banco Exterior De Cuba, for making available to the latter, a Line of Credit (LOC) of USD 5.0492 million (USD Five Million and Forty Nine Thousand two hundred) for financing the modernization of injectable product plant in the Republic of Cuba. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of Eligible Contract from outside India.

2. The Credit Agreement under the LOC is effective from February 3, 2015 and the date of execution of Agreement is September 2, 2014. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date of contract in the case of Project exports and 72 months from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.
4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.
5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in)
6. The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(A. K. Pandey)**  
**Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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**RBI/2014-15/504**

**A.P (DIR Series) Circular No.85**

**March 18, 2015**

To,

All Banks Authorised to deal in Foreign Exchange

Madam/Sir

**Non-Resident Deposits - Stat 5 and Stat 8 Returns – Discontinuation**

Attention of banks maintaining Non-Resident Deposits (NRD) Accounts is invited to [A.P. \(DIR Series\) Circular No. 4 dated July 12, 2012](#) and [A.P. \(DIR Series\) Circular No. 19 dated August 7, 2013](#) regarding submission of Stat 5 and Stat 8 Returns and moving the NRD-CSR reporting to XBRL platform.

2. As banks' submission of NRD-CSR data in XBRL platform has stabilised, it has been decided to discontinue the submission of Stat 5 and Stat 8 Returns from March 2015. Accordingly banks, dealing in foreign exchange may stop sending Stat 5 and Stat 8 Returns (both hard and soft copies) to the Department of Statistics and Information Management, Reserve Bank of India.

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

Yours faithfully

(A K Pandey)  
Chief General Manager



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/509  
A.P. (DIR Series) Circular No. 86

March 23, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 198.96 million  
to the Myanma Foreign Trade Bank (MFTB), Myanmar**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated December 11, 2013 with the Myanma Foreign Trade Bank (MFTB), Republic of Union of Myanmar, for making available to the latter, a Line of Credit (LOC) of USD 198.96 million (USD One Hundred and Ninety Eight Million and Nine Hundred and Sixty Thousand) for financing 18 irrigation projects (16 ongoing and 2 rehabilitation) in Republic of Union of Myanmar. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 50 per cent of the contract price shall be supplied by the seller from India and the remaining 50 percent goods and services may be procured by the seller for the purpose of eligible contract from outside India.

2. The Credit Agreement under the LOC is effective from February 26, 2015. Under the LOC, the last date for opening of letters of credit and disbursement will be 48 months from the scheduled completion date of contract in the case of project exports and 72 months (December 10, 2019) from the execution date of the Credit Agreement in the case of other supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in)

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

Yours faithfully,

(A. K. Pandey)  
Chief General Manager



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/513

A.P. (DIR Series) Circular No. 87

March 25, 2015

To

All Authorised Persons

Madam/ Sir,

**Know Your Customer (KYC) Norms / Anti Money Laundering (AML) Standards/ Combating of Financing of Terrorism (CFT) / Obligations under Prevention of Money-laundering Act (PMLA), 2002 - Money changing activities**

Attention of Authorised Persons is invited to the [A.P. \(DIR Series\) Circular No. 9 dated July 21, 2014](#), on the captioned subject read with [A.P. \(DIR Series\) Circular No. 67 dated January 28, 2015](#) on AML/CFT standards.

2. It has been decided that henceforth, Foreign Exchange Department shall not issue the instructions to the Authorised Persons (APs) on the captioned subject separately and the instructions issued by Department of Banking Regulation, Central Office, Reserve Bank of India in this regard so far and from time to time in future, mutatis mutandis, shall be applicable to all APs.
3. These guidelines will also be applicable, mutatis mutandis, to all agents/ franchisees of Authorised Persons and it will be the sole responsibility of the franchisers to ensure that their agents / franchisees adhere to these guidelines.
4. Authorised Persons 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 Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the, Prevention of Money Laundering Act, (PMLA), 2002, as amended from time to time and are without prejudice to permission /approvals, if any, required under any other law.

Yours faithfully,

**(B. P. Kanungo)**  
**Principal Chief General Manager**



## RESERVE BANK OF INDIA

Mumbai - 400 001

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RBI/2014-15/514

A.P. (DIR Series) Circular No. 88

March 25, 2015

To

All Authorised Persons, who are Indian Agents under Money Transfer Service Scheme.

Madam/ Sir,

**Know Your Customer (KYC) Norms / Anti Money Laundering (AML) Standards/ Combating of Financing of Terrorism (CFT) / Obligations under Prevention of Money-laundering Act (PMLA), 2002 - Money Transfer Service Scheme (MTSS)**

Attention of Authorised Persons (APs), who are Indian Agents under Money Transfer Service Scheme (MTSS) is invited to the [A.P. \(DIR Series\) Circular No. 10 dated July 21, 2014](#) on the captioned subject read with [A.P. \(DIR Series\) Circular No. 68 dated January 28, 2015](#) on AML/CFT standards.

2. It has been decided that henceforth, Foreign Exchange Department shall not issue the instructions to the APs who are Indian Agents under Money Transfer Service Scheme, on the captioned subject separately and the instructions issued by Department of Banking Regulation, Central Office, Reserve Bank of India in this regard so far and from time to time in future, mutatis mutandis, be applicable to all APs.

3. These guidelines will also be applicable, mutatis mutandis, to all Sub-Agents of the Indian Agents under MTSS and it will be the sole responsibility

of the APs (Indian Agents) to ensure that their Sub-agents adhere to these guidelines.

4. Authorised Persons (Indian Agents) may bring the contents of this circular to the notice of their Sub-Agents / constituents concerned.

5. The directions contained in this Circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and also under the, Prevention of Money Laundering Act, (PMLA), 2002, as amended from time to time and are without prejudice to permission /approvals, if any, required under any other law.

Yours faithfully,

**(B. P. Kanungo)**  
**Principal Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI//2014-15/518  
A.P. (DIR Series) Circular No.89

March 27, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 2.712 million  
to the Banco Exterior De Cuba**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated September 2, 2014 with the Banco Exterior De Cuba, for making available to the latter, a Line of Credit (LOC) of USD 2.712 million (USD Two Million and Seven Hundred and Twelve Thousand) for financing the setting up of a bulk blending fertilizer plant in the Republic of Cuba. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India and the remaining 25 percent goods and services may be procured by the seller for the purpose of eligible contract from outside India.

2. The Credit Agreement under the LOC is effective from February 27, 2015. Under the LOC, the last date for opening of Letters of Credit and Disbursement will be 48 months from the scheduled completion date(s) of contract(s) in the case of project exports and 72 months from the execution date of the Credit Agreement in the case of supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(A. K. Pandey)  
Chief General Manager**

RBI/2014-15/526

A.P.(DIR Series) Circular No. 90

March 31, 2015

To All Category - I Authorised Dealer banks

Madam / Sir,

**Risk Management and Inter-bank Dealings: Revised Guidelines relating to participation of Residents in the Exchange Traded Currency Derivatives (ETCD) market**

Attention of Authorized Dealers Category – I (AD Category – I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 ([Notification No. FEMA. 25/RB-2000 dated May 3, 2000](#)), as amended from time to time and [A.P. \(DIR Series\) Circular No. 147 dated June 20, 2014](#) relating to participation of residents in the ETCD market.

**Increase in position limits not requiring establishment of underlying exposure**

2. Presently, domestic participants are allowed to take a long (bought) as well as short (sold) position upto USD 10 million per exchange. As a measure of further liberalisation, it has now been decided to increase the limit (long as well as short) in USD-INR pair upto USD 15 million per exchange. In addition, domestic participants shall be allowed to take long as well as short positions in EUR-INR, GBP-INR and JPY-INR pairs, all put together, upto USD 5 million equivalent per exchange. These limits shall be monitored by the exchanges and breaches, if any, may be reported. For the convenience of monitoring, exchanges may prescribe fixed limits for the contracts in currencies other than USD such that these limits are within the equivalent of USD 5 million.

**Rationalisation of documentation requirements for both Importers and Exporters**

4. At present, in terms of paragraphs (2) (b) (iii) and (2) (b) (v) respectively, of the above circular, market participants have to produce a certificate from the statutory auditors as indicated therein. As a measure of liberalisation in the ETCD market, it has now been decided that, instead of the statutory auditor's certificate, a signed undertaking to the same effect from the Chief Financial Officer (CFO) or the senior most functionary responsible for company's finance and accounts and the Company Secretary (CS) may be produced. In the absence of a CS, the Chief Executive Officer (CEO) or the Chief Operating Officer (COO) shall co-sign the undertaking along with the CFO.

**Increase in eligible limit for Importers hedging contracted exposure**

5. At present, importers are permitted to hedge their contracted exposures in the ETCD market upto 50 per cent of their eligible limit as defined in para (2)(b)(i) of the above circular. With a view to bringing at par both exporters and importers, it has now been decided to allow importers to take appropriate hedging positions up to 100 per cent of the eligible limit.

6. All other operational guidelines, terms and conditions including the requirement of certificate(s) from the Statutory Auditor regarding the eligible limit up to which domestic participants can take appropriate hedging positions in the ETCD market and the necessary undertaking from the CFO or senior most functionary responsible for company's finance and accounts as indicated in para (2)(b)(ii) of the above circular remain unchanged.

7. A matrix indicating the existing and the revised positions is enclosed for easy reference.

8. This circular has been issued under Sections 10 (4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully

(R Subramanian)  
Chief General Manager

Encls: As above

**Annex to A.P. (DIR Series) Circular No. 90 dated March 31, 2015**

Paragraph no.	Existing provision in terms of A.P. (DIR Series) No. 147 dated June 20, 2014	Amended provision in terms of A.P. (DIR Series) Circular No. <u>90</u> dated March 31, 2015
(2)(a)	Domestic participants shall be allowed to take a long (bought) as well as short (sold) position upto <u>USD 10 million per exchange.</u>	Domestic participants shall be allowed to take a long (bought) as well as short (sold) position <u>in USD-INR pair upto USD 15 million per exchange. In addition, participants shall be allowed to take long as well as short positions in EUR-INR, GBP-INR and JPY-INR pairs, all put together, upto USD 5 million equivalent per exchange. These limits shall be monitored by the exchanges and breaches, if any, may be reported.</u>
(2) (b) (i)	For participants who are exporters or importers of goods and services, the eligible limit up to which they can take appropriate hedging positions in ETCDs will be determined as <u>(a) higher of the (I) average of the last three years' export turnover, or (II) previous year's export turnover, in case they are exporters and (b) fifty per cent of the higher of the (I) average of their last three years' imports turnover or (II) the previous year's turnover, in case they are importers.</u>	For participants who are exporters or importers of goods and services, the eligible limit up to which they can take appropriate hedging positions in ETCDs will be determined as <u>higher of the (I) average of the last three years' export or import turnover, or (II) previous year's export or import turnover</u>
(2) (b) (iii)	Based on the above certificate, a trading member can book ETCD contracts upto fifty per cent of the eligible limit [as at paragraph (2)(b)(i)] on behalf of the concerned customer. If a participant wishes to take position beyond the fifty per cent of the eligible limit in the ETCD, it has to produce <u>a signed undertaking from the Chief Financial</u>	

	ETCD, it has to produce a certificate from the <u>statutory auditors</u> certifying that the sum total of the outstanding OTC derivative contracts and outstanding ETCD contracts has generally been in correspondence with the eligible limits.	Officer (CFO) or the senior most functionary responsible for company's finance and accounts and the Company Secretary (CS) to the effect that the sum total of the outstanding OTC derivative contracts and outstanding ETCD contracts has been in correspondence with the eligible limits. <u>In the absence of a CS, the Chief Executive Officer (CEO) or the Chief Operating Officer (COO) shall co-sign the undertaking along with the CFO or the senior most functionary responsible for company's finance and accounts.</u>
(2) (b) (v)	All participants in the ETCD market, except those covered by paragraph (2)(b)(iv), will be required to submit to the concerned trading member of the exchange a half-yearly <u>certificate from their statutory auditors</u> as on March 31st and September 30th, within fifteen days from the said dates, to the effect that during the preceding six months, the derivative contracts entered into by the participant in the OTC and the ETCD markets put together did not exceed the actual exposure.	All participants in the ETCD market, except those covered by paragraph (2)(b)(iv), will be required to submit to the concerned trading member of the exchange a half-yearly <u>a signed undertaking from the Chief Financial Officer (CFO) or the senior most functionary responsible for company's finance and accounts and the Company Secretary (CS)</u> as on March 31st and September 30th, within fifteen days from the said dates, to the effect that during the preceding six months, the derivative contracts entered into by the participant in the OTC and the ETCD markets put together did not exceed the actual exposure. <u>In the absence of a CS, the Chief Executive Officer (CEO) or the Chief Operating Officer (COO) shall co-sign the undertaking along with the CFO or the senior most functionary responsible for company's finance and accounts.</u>



RBI/2014-15/527

A.P.(DIR Series) Circular No. 91

March 31, 2015

To All Category - I Authorised Dealer banks

Madam / Sir,

**Risk Management and Inter-bank Dealings: Revised Position Limits for Foreign Portfolio Investors (FPIs) in the Exchange Traded Currency Derivatives (ETCD) market**

Attention of Authorized Dealers Category – I (AD Category – I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 ([Notification No. FEMA. 25/RB-2000 dated May 3, 2000](#)), as amended from time to time and [A.P. \(DIR Series\) Circular 148 dated June 20, 2014](#) relating to participation of Foreign Portfolio Investors (FPIs) in the ETCD market.

**Increase in limits without establishing underlying exposure**

2. Presently, FPIs can take position – both long (bought) as well as short(sold) – in foreign currency up to USD 10 million or equivalent per exchange . As a measure of further liberalisation, it has now been decided to increase the limit (long as well as short) for FPIs in USD-INR pair upto USD 15 million per exchange. In addition, FPIs shall be allowed to take long (bought) as well as short (sold) positions in EUR-INR, GBP-INR and JPY-INR pairs, all put together, upto USD 5 million equivalent per exchange. These limits shall be monitored by the exchanges and breaches, if any, may be reported. For the convenience of monitoring, exchanges may prescribe fixed limits for the contracts in currencies other than USD such that these limits are within the equivalent of USD 5 million.

3. All other operational guidelines, terms and conditions shall remain unchanged.
4. This circular has been issued under Sections 10 (4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

(R Subramanian)  
Chief General Manager



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

**RBI/2014-15/530  
A.P. (DIR Series) Circular No.92**

**March 31, 2015**

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**Operational guidelines on International Financial Services Centre (IFSC)**

Attention of Authorised Dealers Category – I (AD Category - I) banks is invited to the Foreign Exchange Management (International Financial Services Centre) Regulations 2015 dated March 2, 2015, a copy of which is at [Annex](#).

2. In terms of the above Regulations, a financial institution or a branch of a financial institution set up in the IFSC and permitted / recognised as such by the Government or a Regulatory Authority shall be treated as person resident outside India. Therefore, their transaction with a person resident in India shall be treated as a transaction between a resident and non- resident and shall be subject to the provisions of Foreign Exchange Management Act, 1999 and the Rules/Regulations/Directions issued thereunder.

3. The financial transaction in this context shall mean making or receiving payment, drawing, issuing or negotiating any bills of exchange or promissory note, transferring any security or acknowledging any debt. Similarly, financial service shall mean any activity which a financial institution is permitted to carry on by the Respective Act of the Parliament or Government of India or any Regulatory Authority empowered to regulate the concerned financial institution.

4 It may be noted that subject to the provisions of Section 1 (3) of Foreign Exchange Management Act, 1999, nothing contained in any other Regulations shall apply to a financial institution or a branch of a financial institution set up in an IFSC unless there is some express and specific provision to that effect in the Foreign Exchange Management (International Financial Services Centre) Regulations 2015 or the other Regulations.

5. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

6. Reserve Bank of India has issued the subject Notification through the Foreign Exchange Management (International Financial Services Centre) Regulations, 2015 which have been notified vide [Notification No.FEMA.339/2015-RB dated March 2, 2015](#), vide G.S.R. No. 218(E) dated March 23, 2015.

7. The directions contained in this circular have been issued under section of 47 Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(A.K.Pandey)**  
**Chief General Manager**



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

**RBI/2014-15/534  
A.P.(DIR Series) Circular No.93**

**April 1, 2015**

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**Export of Goods and Services – Project Exports**

Attention of Authorised Dealers is invited to [A. P. \(DIR Series\) Circular No. 11 dated July 22, 2014](#) in terms of which AD banks / Exim Bank have been permitted to consider according post-award approvals without any monetary limit and permit subsequent changes in the terms of post award approval within the relevant FEMA guidelines / regulations. Further, in terms of para B. 11 (i) of the revised Memorandum of instructions on Project and Service exports, Exim Bank in participation with commercial banks in India may extend Buyer's credit upto the limit of USD 20 million to foreign buyers in connection with export of goods on deferred payment terms and turn key projects from India.

2. With a view to further liberalising the procedure and as the Working Group structure has been dismantled, it has been decided to withdraw the limit of USD 20 million for Buyer's credit which may be extended to foreign buyers in connection with export of goods on deferred payment terms and turn key projects from India.
3. Memorandum of Instructions on Project and Service Exports (PEM) has been revised accordingly.

4. Authorised Dealers may bring the revised guidelines in the Memorandum 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 (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(A.K.Pandey)**  
**Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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**RBI/2014-15/545**

**A. P. (DIR Series) Circular No.94**

**April 08, 2015**

To

All Authorised Dealer Category-I Banks

Madam / Sir,

**Foreign Direct Investment (FDI) in India – Review of FDI policy –Sector Specific conditions- Insurance sector**

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 vide [Notification No. FEMA 20/2000-RB dated May 3, 2000](#), as amended from time to time. In terms of Schedule 1 to the Notification ibid, 26% Foreign Direct Investment (FDI) is permitted under Automatic route in Insurance sector subject to conditions.

2. The extant FDI policy for Insurance sector has since been reviewed and further liberalized. Accordingly, with immediate effect, FDI in Insurance sector shall be permitted up to 49% subject to the revised conditions specified in the Press Note 3 (2015 Series) dated March 2, 2015. Also, a new activity viz. "Other Insurance Intermediaries appointed under the provisions of Insurance Regulatory and Development Authority Act, 1999 (41 of 1999)" has been included within the definition of 'Insurance'.

3. Besides, the salient changes over the existing regime include:

- (a) Foreign investment in Indian insurance company shall be limited up to forty-nine percent of the paid up equity capital;

- (b) Foreign direct investment up to 26 percent shall be under automatic route and beyond 26 percent and up to 49 percent shall be with Government approval;
- (c) Foreign investment in the sector is subject to compliance of the provisions of the Insurance Act, 1938 and the condition that companies bringing in FDI shall obtain necessary license from the Insurance Regulatory & Development Authority of India for undertaking insurance activities.
- (d) An Indian insurance company shall ensure that its ownership and control remains at all times in the hands of resident Indian entities;
- (e) Foreign portfolio investment in an Indian insurance company shall be governed by the provisions of Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 and provisions of the Securities Exchange Board of India (Foreign Portfolio Investors) Regulations.
- (f) Any increase of foreign investment of an Indian insurance company shall be in accordance with the pricing guidelines specified by Reserve Bank of India under the Foreign Exchange Management Act, 1999.
- (g) Terms 'Control', 'Equity Share Capital', 'Foreign Direct Investment' (FDI), 'Foreign Investors', 'Foreign Portfolio Investment', 'Indian Insurance Company', 'Indian Company', 'Indian Control of an Indian Insurance Company', 'Indian Ownership', 'Non-resident Entity', 'Public Financial Institution', 'Resident Indian Citizen', 'Total Foreign Investment' will have the same meaning as provided in Notification No. G.S.R 115 (E), dated 19th February, 2015.

4. [A copy of Press Note 3 \(2015 Series\) dated March 2, 2015](#) issued in this regard by DIPP, Ministry of Commerce & Industry, Government of India is appended.

5. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Third Amendment) Regulations, 2015 notified vide [Notification No.](#)

[FEMA.340/2015-RB dated March 3, 2015](#), c.f. G.S.R. No. 183 (E) dated March 12, 2015

6. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.

7. 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,

**(B. P. Kanungo)**  
**Principal Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/561

A.P. (DIR Series) Circular No. 95

April 17, 2015

To

All Category – I Authorised Dealer Banks

Madam/Sir

**Foreign Direct Investment (FDI) –  
Reporting under FDI Scheme on the e-Biz platform**

Attention of Authorised Dealers Category-I (AD Category - I) banks is invited to the provisions of 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. Attention of AD Category – I banks is also invited to [A.P. \(DIR Series\) Circular No.77 dated February 12, 2015](#), advising the enabling of reporting of Advanced Remittance Form and FCGPR Form under the FDI scheme on the e-Biz platform of the Government of India.

2. With reference to paragraph 5 of the said A.P. (DIR Series) circular, it is advised that financial aspects for using the Virtual Private Network (VPN) accounts obtained from National Informatics Centre (NIC) for accessing the e-Biz portal have now been finalised in consultation with Government of India, Department of Industrial Policy and Promotion (DIPP) and NIC. The details are as follows:

- i. The VPN account will be in the name of the individual users and will be coterminous with the lifetime of the Digital Signing (Class 2) certificates (which is for a maximum period of two years) issued by Institute for

Development and Research in Banking Technology (IDRBT), Hyderabad;

- ii. AD Category-I banks will be required to credit (through NEFT/RTGS) the payment in advance for the VPN accounts (@ Rs.9,654/- per account for a block of two years) directly to National Informatics Centre Services Inc's (NICSI) bank account as under:
  - a. Name of Bank : ICICI Bank
  - b. Branch : ICICI Bank CMS
  - c. Account No : NICSI PPPCDL141571
  - d. IFSC Code : ICIC0000104
- iii. After making the payment, the AD bank may fill up the details in the 'Payment Reference Form' and forward the same to the [email](#). A copy of the form is annexed to this circular.
- iv. AD banks may kindly note to maintain appropriate records pertaining to the number of connections, amounts remitted to NICSI, etc. Reconciliation issues, if any, may be resolved by writing to NICSI at the above mentioned email address.

3. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999).

Yours faithfully,

(B.P. Kanungo)  
Principal Chief General Manager

## ANNEXURE

**National Informatics Centre Services Inc.**

(A Government of India Enterprise under NIC)

Ministry of communication & Information Technology  
New Delhi

Payment Reference Form		
(Requires for issuing PO)		Date :
PI Date :		Performa Invoice No.
S.No.	Particulars	
1.	Project Name/ PID (in case of existing Project)	VPN SERVICES FOR E-BIZ PROJECT
2.	Department Name : (Department/Ministry/Org/Institute etc.)	Department of Industrial Policy and Promotion
3.	Amount of Advance Provided : @ Rs 4827/- per account per year	
4.	Payment to be made in NICSI Account in ICICI Bank	IFSC CODE : ICIC0000104 A/C NO, NICSIPPCDL 141571 BRANCH CODE : ICICI BANK CMS
5.	Payment Mode	(NEFT-RTGS)
6.	UTR No.	
7.	Transaction Date	
8.	User Department :	
9.	Contract Person Name :	
10.	Contact Person Phone Number :	
11.	Contact Person E-mail ID :	
12.	No. of VPN Accounts	
13.	Billing Address :	
14.	Period of Services	2 years
15.	Remarks (If any)	

The payment reference form to be send to [email](#). Also enclosed copy of completely filled and verified VPN application forms or list of users :

(Signature &amp; Stamp)



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/579

A.P. (DIR Series) Circular No. 96

April 30, 2015

To

All Category – I Authorised Dealer Banks

Madam / Sir,

**Deferred Payment Protocols dated April 30, 1981 and December 23, 1985  
between Government of India and erstwhile USSR**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 29 dated September 12, 2014](#) wherein the Rupee value of the Special Currency Basket was indicated as Rs. 80.580297 effective from September 09, 2014.

2. AD Category-I banks are advised that a further revision has taken place on April 10, 2015 and accordingly, the Rupee value of the Special Currency Basket has been fixed at Rs.85.4813 with effect from April 16, 2015.

3. AD Category-I banks may bring the contents of this Circular to the notice of their constituents concerned.

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

Yours faithfully,

**(B. P. Kanungo)**  
Principal Chief General Manager



## RESERVE BANK OF INDIA

Mumbai - 400 001

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RBI/2014-15/580

A.P. (DIR Series) Circular No. 97

April 30, 2015

To

All Category – I Authorised Dealer Banks

Madam / Sir,

### **Merchanting Trade to Nepal and Bhutan**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 115 dated March 28, 2014](#). In terms of the revised merchanting trade guidelines stipulated therein, for a trade to be classified as merchanting trade, goods acquired should not enter the Domestic Tariff Area and the state of the goods should not undergo any transformation. Further, the goods involved in the merchanting trade transaction would be the ones that are permitted for exports / imports under the prevailing Foreign Trade Policy (FTP) of India, as on the date of shipment and all the rules, regulations and directions applicable to exports (except Export Declaration Form) and imports (except Bill of Entry), should be complied with for the export leg and the import leg respectively.

2. As Nepal and Bhutan are landlocked countries, there is a facility of transit trade whereby goods are imported from third countries by Nepal and Bhutan through India under the cover of Customs Transit Declarations in terms of the Government of India Treaty of Transit with these two countries. In consultation with Government of India, it is clarified herein that goods consigned to the importers of Nepal and Bhutan from third countries under merchanting trade from India would qualify as traffic-in-transit, if the goods are

otherwise compliant with the provisions of the India-Nepal Treaty of Transit and Indo-Bhutan Treaty of Transit respectively.

3. AD Category-I banks may bring the contents of this circular to the notice of their constituents concerned.

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

Yours faithfully,

**(A. K. Pandey)**  
**Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/596  
A.P. (DIR Series) Circular No. 98

May 14, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Foreign Currency (Non-Resident) Account (Banks) (FCNR (B)) Scheme**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Schedule 2 of the Foreign Exchange Management (Deposit) Regulations, 2000, notified vide [Notification No. FEMA 5/2000-RB dated May 3, 2000](#), as amended from time to time, in terms of which instructions regarding opening and maintenance of FCNR (B) deposit have been stipulated.

2. It has come to our notice that Authorised Dealer banks are insisting on different requirements at the time of closure of FCNR (B) deposits and subsequent remittance of funds as under:

- i) Submission of A2 form
- ii) Insisting on physical presence of the account holder
- iii) Asking for purpose of remittance

3. In this connection it is clarified that A2 form is to be filed at the time of purchase of foreign exchange using rupee funds and hence is not applicable while remitting FCNR (B) funds. Further, banks, with the help of technology, will have to devise better alternatives/ methods for ensuring bonafides of the transaction rather than insisting on physical presence of the account holder, in order to ensure hassle free remittance of funds to the account holder.

4. AD Category- I banks may bring the contents of the 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) and is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(A. K. Pandey)**  
**Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/597  
A.P. (DIR Series) Circular No. 99

May 14, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Deferred Payment Protocols dated April 30, 1981 and December 23, 1985  
between Government of India and erstwhile USSR**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 96 dated April 30, 2015](#) wherein the Rupee value of the Special Currency Basket was indicated as Rs. 85.4813 effective from April 16, 2015.

2. AD Category-I banks are advised that a further revision has taken place on April 27, 2015 and accordingly, the Rupee value of the Special Currency Basket has been fixed at Rs.88.3042 with effect from April 30, 2015.
3. AD Category-I banks may bring the contents of this Circular to the notice of their constituents concerned.
4. The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(B.P. Kanungo)**  
**Principal Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/598  
A.P. (DIR Series) Circular No.100

May 14, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Line of Credit of USD 1 billion  
to the Government of Nepal**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated November 25, 2014 with the Government of Nepal, for making available to the latter, a Line of Credit (LOC) of USD 1 billion (USD One billion) for financing of hydropower, irrigation and infrastructure development projects in Nepal. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75 per cent of the contract price shall be supplied by the seller from India except from civil works for which 50% of the contract price shall be supplied by the Seller from India.

2. The Credit Agreement under the LOC is effective from March 27, 2015. Under the LOC, the last date for opening of letters of credit and disbursement will be 48 months from the scheduled completion date of contract in the case of project exports and November 24, 2020 (72 months from the execution date of the Credit Agreement) in the case of other supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

**(A. K. Pandey)  
Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI//2014-15/599  
A.P. (DIR Series) Circular No.101

May 14, 2015

To

All Authorised Dealers in Foreign Exchange

Madam / Sir,

**Export of Goods and Services-**  
**Declaration of Exports of Goods/Software**

Attention of the Authorised Dealers is invited to Regulation 6 of the Notification No.FEMA 23/2000-RB dated May 3, 2000 viz. Foreign Exchange Management (Export of Goods and Services) Regulations, 2000, as amended from time to time, in terms of which every exporter of goods or software has to declare the same in one of the forms stated therein.

2. To further liberalise and simplify the procedure, it has been decided to dispense with the requirement of declaring the export of Goods /Software in the SDF in case of exports taking place through the EDI ports, as the mandatory statutory requirements contained in the SDF have been subsumed in the Shipping Bill format.
3. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.
4. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the FEMA, 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(A. K. Pandey)**  
**Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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**RBI/2014-15/603**

**A. P. (DIR Series) Circular No. 102**

**May 21, 2015**

To,

All Authorised Dealer Category - I Banks

Madam / Sir,

**Rupee Drawing Arrangement - Increase in trade related remittance limit**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to Part (B) of Annex-I to the [A.P. \(DIR Series\) Circular No. 28 \[A. P. \(FL/RL Series\) Circular No. 02\] dated February 6, 2008](#) on Memorandum of Instructions for Opening and Maintenance of Rupee/ Foreign Currency Vostro Accounts of Non-resident Exchange Houses and [A.P. \(DIR Series\) Circular No.111 dated March 13, 2014](#), as amended from time to time.

2. On a review of the permitted transactions under the Rupee Drawing Arrangements (RDAs), it has been decided to increase the limit of trade transactions from the existing Rs. 5,00,000/- (Rupees Five Lakh only) per transaction to Rs. 15,00,000/- (Rupees Fifteen Lakh only) per transaction, with immediate effect.

3. Further, it has been decided to permit AD banks to regularise payments exceeding the prescribed limit under RDA provided that they are satisfied with the bonafide of the transaction. Further they must take additional steps as under:

- i. AD banks must ensure the remittances received under RDA are from FATF compliant countries,
- ii. KYC/AML/CFT and other due diligence concerns should be taken care of by AD banks,
- iii. Individual Exchange Houses which are frequently sending large value trade related remittances must be reviewed and reported to the Reserve Bank of India,

- iv. AD banks must contact their correspondents that maintain accounts for, or facilitate transactions on behalf of Exchange Houses in order to request additional information regarding high value trade related transactions and the parties involved. The collected details should be kept on record and it may be made available for scrutiny,
- v. AD banks must ensure that the proceeds of export payment through RDA is applied to the outstanding export finance if any, availed by the exporter from any bank for the concerned export transaction and obtain a declaration to that effect from the exporter.

4. All other instructions issued vide [A.P. \(DIR Series\) Circular No. 28 \[A. P. \(FL/RL Series\) Circular No. 02\]](#) dated February 6, 2008, as amended from time to time, will remain unchanged.

5. AD Category - I banks may bring the contents of this circular to the notice of their constituents concerned.

6. The directions contained in this circular have been issued under Section 10(4) and Section 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,

**(B. P. Kanungo)**  
Principal Chief General Manager

**RESERVE BANK OF INDIA**  
**Financial Markets Regulation Department**  
**Central Office**  
**Mumbai - 400 001**

RBI/2014-15/608  
A. P. (DIR Series) Circular No. 103

May 21, 2015

To  
All Category-I Authorised Dealer Banks

Madam / Sir,

**External Commercial Borrowings (ECB) denominated in Indian Rupees (INR) – Mobilisation of INR**

Attention of Authorized Dealers Category – I (AD Cat – I) banks is invited to the Foreign Exchange Management (Foreign Exchange Derivative Contracts) Regulations, 2000 dated May 3, 2000 [[Notification No. FEMA 25/RB-2000 dated May 3, 2000](#)], as amended from time to time, A.P. (DIR Series) Circular No.63 dated December 29, 2011 and A.P. (DIR Series) Circular No. 25 dated September 3, 2014.

2. In terms of [A.P. \(DIR Series\) Circular No. 25 dated September 3, 2014](#), recognised non-resident ECB lenders may extend loans in Indian Rupees subject to, *inter alia*, the lender mobilising Indian Rupees through a swap undertaken with an AD Cat-I bank in India. To facilitate ECB lending denominated in INR by overseas lenders, it has now been decided that such lenders may enter into swap transactions with their overseas bank which shall, in turn, enter into a back-to-back swap transaction with any AD Cat-I bank in India as per the procedure given below:

- (i) The recognised non-resident lender approaches his overseas bank with appropriate documentation as evidence of an underlying ECB denominated in INR with a request for a swap rate for mobilising INR for onward lending to the Indian borrower.
- (ii) The overseas bank, in turn, approaches an AD Cat-I bank for a swap rate along with documentation furnished by the customer that will enable the AD bank in India

to satisfy itself that there is an underlying ECB in INR (scanned copies would be acceptable).

(iii) A KYC certification on the end client shall also be taken by the AD bank in India as a one-time document from the overseas bank.

(iv) Based on the documents received from the overseas bank, the AD bank in India should satisfy itself about the existence of the underlying ECB in INR and offer an indicative swap rate to the overseas bank which, in turn, will offer the same to the non-resident lender on a back-to-back basis.

(v) The continuation of the swap shall be subject to the existence of the underlying ECB at all times.

(vi) On the due date, settlement may be done through the Vostro account of the overseas bank maintained with its correspondent bank in India.

(vii) All other Operational Guidelines, Terms and Conditions as contained in the annex to [A.P. \(DIR Series\) Circular No.63 dated December 29, 2011](#) governing hedging of ECBs denominated in INR shall apply, *mutatis mutandis*.

(viii) The concerned AD Cat-I bank shall keep on record all related documentation for verification by Reserve Bank.

3. AD Category - I banks may bring the contents of this circular to the notice of their constituents and customers.

4. 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,

(R Subramanian)  
Chief General Manager



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI//2014-15/615  
A.P. (DIR Series) Circular No.104

May 28, 2015

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Exim Bank's Gol supported Line of Credit of USD 100 million  
to the Government of Republic of Mali**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated January 11, 2012 with the Government of Republic of Mali, for making available to the latter, a Line of Credit (LOC) of USD 100 million (USD One Hundred million) for financing a power transmission project connecting Bamako and Sikasso via Bougouni in Mali. The goods, machinery, equipment and services including consultancy services from India for export under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75% of the contract price shall be supplied by the seller from India and the remaining 25% goods and services (other than consultancy services) may be procured by the seller for the purpose of the eligible contract from outside India.

2. The Credit Agreement under the LOC is effective from April 17, 2015 and the date of execution of Agreement is January 11, 2012. Under the LOC, the last date for opening of letters of credit and disbursement will be 48 months from the scheduled completion date of contract in the case of project exports and January 10, 2018 (72 months from the execution date of the Credit Agreement) in the case of other supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.
4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.
5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in)
6. The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(A. K. Pandey)  
Chief General Manager**



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014/15/616  
A.P. (DIR Series) Circular No. 105

May 28, 2015

To

All Category - I Authorised Dealer Banks

Madam / Sir,

**Deferred Payment Protocols dated April 30, 1981 and December 23, 1985  
between Government of India and erstwhile USSR**

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to [A.P. \(DIR Series\) Circular No. 99 dated May 14, 2015](#) wherein the Rupee value of the Special Currency Basket was indicated as Rs. 88.3042 effective from April 30, 2015.

2. AD Category-I banks are advised that a further revision has taken place on May 05, 2015 and accordingly, the Rupee value of the Special Currency Basket has been fixed at Rs.77.6331180 with effect from May 06, 2015.
3. AD Category-I banks may bring the contents of this Circular to the notice of their constituents concerned.
4. The Directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

**(A.K. Pandey)  
Chief General Manager**



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

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**RBI/2014-15/620**

**A.P. (DIR Series) Circular No. 106**

**June 1, 2015**

To,

All banks Authorised to Deal in Foreign Exchange

All Authorised Money Changers (AMCs) / Full-Fledged Money Changers (FFMCs)

Madam/Sir,

- I. Liberalised Remittance Scheme (LRS) for resident individuals- increase in the limit from USD 125,000 to USD 250,000 and rationalisation of current account transactions**
- II. Remittance facilities for persons other than individuals**

Attention of Authorised Persons is invited to the [A.P.\(DIR Series\) Circular No. 138 dated June 3, 2014](#) regarding the Liberalised Remittance Scheme (LRS) for resident individuals and the existing guidelines issued under the Foreign Exchange Management (Current Account Transactions) Rules, 2000. On a review, it has been decided to make the following changes for further liberalization and rationalization on the existing guidelines.

**Limit and Facilities under LRS**

2. AD banks may now allow remittances by a resident individual up to USD 250,000 per financial year for any permitted current or capital account transaction or a combination of both. If an individual has already remitted any amount under the LRS, then the applicable limit for such an individual would be reduced from the present limit of USD 250,000 for the financial year by the amount already remitted. The permissible capital account transactions by an individual under LRS are:

- i) opening of foreign currency account abroad with a bank;
- ii) purchase of property abroad;
- iii) making investments abroad;

- iv) setting up Wholly owned subsidiaries and Joint Ventures abroad;
- v) extending loans including loans in Indian Rupees to Non-resident Indians (NRIs) who are relatives as defined in Companies Act, 2013.

3. Further, to facilitate ease of transactions, all the facilities (including private/business visits) for release of exchange/remittances for current account transactions available to resident individuals under Para 1 of Schedule III to the Foreign Exchange Management (Current Account Transactions) Rules, 2000, as amended from time to time, shall now be subsumed under the overall limit of USD 250,000. However, for item numbers as mentioned at (iv)[ emigration], (vii)[expenses in connection with medical treatment abroad] and (viii)[studies abroad] in Para 1 of Schedule III provided at Annex 1, individuals may avail of exchange facility for an amount in excess of the overall limit prescribed under the LRS, if it is so required by a country of emigration, medical institute offering treatment or the university respectively. Gift in Indian Rupees by resident individuals to NRI relatives as defined in the Companies Act, 2013 shall also be subsumed under the LRS limit.

The Notification dated May 26, 2015 containing the revised Schedule III is given in **Annex 1**.

4. As hitherto, the Scheme cannot be made use for making remittances for any prohibited or illegal activities such as margin trading, lottery, etc.

## **5. Remittance Procedure**

### *Requirements to be complied with by the remitter*

5.1 The resident individual seeking to make the remittances should furnish an application cum declaration in the format indicated in **Annex 2** to the AD/ full fledged money changer (FFMC) concerned regarding the purpose of the remittances and declaration to the effect that the funds belong to the remitter and will not be used for the prohibited purposes referred to in Para 4 above. Resident individuals can also purchase foreign exchange from a full fledged money changer (FFMC) for private/business visits. Foreign exchange thus purchased from an FFMC should also be reckoned within the overall LRS limit USD 250,000 and declared accordingly in the application-cum-declaration form submitted to the AD bank.

*Requirements to be complied with by the Authorised Persons*

5.2 While allowing the facility to resident individuals, Authorised Persons, including AD Category II and FFMCs, are required to ensure that the "Know Your Customer" guidelines and the Anti-Money Laundering Rules in force have been complied with while allowing the transactions.

*Requirements to be complied with by the Authorised Dealers*

5.3 It is clarified that banks should not extend any kind of funded and non-funded facilities to resident individuals to facilitate capital account remittances under the Scheme.

5.4 The applicants should have maintained the bank account with the bank for a minimum period of one year prior to the remittance for capital account transactions. If the applicant seeking to make the remittances is a new customer of the bank, Authorised Dealers should carry out due diligence on the operations and maintenance of the account.

5.5 No part of the foreign exchange of USD 250,000 shall be used for remittance directly or indirectly to countries notified as non-cooperative countries and territories by the Financial Action Task Force (FATF) from time to time and communicated by the Reserve Bank of India to all concerned.

**6. Reporting of the transactions**

Authorised Dealers may arrange to furnish on a monthly basis information on the number of applicants and total amount remitted under LRS to the Chief General Manager, External Payment Division, Foreign Exchange Department, Reserve Bank of India, Central Office, Mumbai - 400001 through Online Return Filing System (ORFS) only.

**7. Facilities for persons other than individuals**

7.1 As provided in Para 2 of Schedule III provided in Annex 1, persons other than individuals can make remittances for

- i) Donations for educational institutions;
- ii) Commissions to agents abroad for sale of residential flats/commercial plots in India;
- iii) Remittances for consultancy services and
- iv) Remittances for reimbursement of pre-incorporation expenses

within the limit and conditions laid down therein.

7.2 While making the above remittances, such persons shall submit to the concerned AD branch a declaration to the effect that the limits and conditions relating to the remittances have been complied with.

8. All other terms and conditions for making overseas remittances shall remain unchanged.

9. Necessary amendments to the Foreign Exchange Management (Current Account Transactions) Rules, 2000 and the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations, 2000, ([Notification No. FEMA 1/2000-RB dated May 3, 2000](#)) have been notified vide GSR No. 426 (E) dated May 26, 2015 and GSR No.425 (E) dated May 26, 2015 respectively.

10. Authorised Persons may bring the contents of this circular to the notice of their constituents and customers concerned.

11. The directions contained in this circular have been issued under Section 10(4) and 11(1) of the Foreign Exchange Management Act, 1992 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

(A. K. Pandey)

Chief General Manager

**MINISTRY OF FINANCE  
(Department of Economic Affairs)  
NOTIFICATION**

New Delhi, the 26th May, 2015

**G.S.R. 426(E).**—In exercise of the powers conferred by section 5 and sub-section (1) and clause (a) of sub-section (2) of section 46 of the Foreign Exchange Management Act, 1999 (42 of 1999), and in consultation with Reserve Bank, the Central Government having considered it necessary in the public interest, makes the following amendment to the Foreign Exchange Management (Current Account Transactions) Rules, 2000, namely:—

**1.** (1) These rules may be called the Foreign Exchange Management (Current Account Transactions) Amendment Rules, 2015

(2) They shall come into force on the date of their publication in the Official Gazette.

**2.** In the Foreign Exchange Management (Current Account Transactions) Rules, 2000,-

(i) for rule 5, the following rule shall be substituted, namely:-

*“5. Prior approval of Reserve Bank.—Every drawal of foreign exchange for transactions included in Schedule III shall be governed as provided therein:*

*Provided that this rule shall not apply where the payment is made out of funds held in Resident Foreign Currency (RFC) Account of the remitter.”;*

(ii) for Schedule III, the following shall be substituted, namely:—

**“SCHEDULE III (See rule 5)**

**Facilities for individuals—**

1. Individuals can avail of foreign exchange facility for the following purposes within the limit of USD 2,50,000 only. Any additional remittance in excess of the said limit for the following purposes shall require prior approval of the Reserve Bank of India.

- (i) Private visits to any country (except Nepal and Bhutan)
- (ii) Gift or donation.
- (iii) Going abroad for employment
- (iv) Emigration
- (v) Maintenance of close relatives abroad
- (vi) Travel for business, or attending a conference or specialised training or for meeting expenses for meeting medical expenses, or check-up abroad, or for accompanying as attendant to a patient going abroad for medical treatment/ check-up.
- (vii) Expenses in connection with medical treatment abroad
- (viii) Studies abroad

(ix) Any other current account transaction

Provided that for the purposes mentioned at item numbers (iv), (vii) and (viii), the individual may avail of exchange facility for an amount in excess of the limit prescribed under the Liberalised Remittance Scheme as provided in regulation 4 to [FEMA Notification 1/2000-RB, dated the 3rd May, 2000](#) (here in after referred to as the said Liberalised Remittance Scheme) if it is so required by a country of emigration, medical institute offering treatment or the university, respectively:

Provided further that if an individual remits any amount under the said Liberalised Remittance Scheme in a financial year, then the applicable limit for such individual would be reduced from USD 250,000 (US Dollars Two Hundred and Fifty Thousand Only) by the amount so remitted:

provided also that for a person who is resident but not permanently resident in India and

(a) is a citizen of a foreign State other than Pakistan; or  
(b) is a citizen of India, who is on deputation to the office or branch of a foreign company or subsidiary or joint venture in India of such foreign company, may make remittance up to his net salary (after deduction of taxes, contribution to provident fund and other deductions).

***Explanation: For the purpose of this item, a person resident in India on account of his employment or deputation of a specified duration (irrespective of length thereof) or for a specific job or assignments, the duration of which does not exceed three years, is a resident but not permanently resident:***

provided also that a person other than an individual may also avail of foreign exchange facility, mutatis mutandis, within the limit prescribed under the said Liberalised Remittance Scheme for the purposes mentioned herein above.

#### **Facilities for persons other than individual -**

2. The following remittances by persons other than individuals shall require prior approval of the Reserve Bank of India.

- (i) Donations exceeding one per cent. of their foreign exchange earnings during the previous three financial years or USD 5,000,000, whichever is less, for-
- (a) creation of Chairs in reputed educational institutes,
  - (b) contribution to funds (not being an investment fund) promoted by educational institutes; and
  - (c) contribution to a technical institution or body or association in the field of

activity of the donor Company.

(ii) Commission, per transaction, to agents abroad for sale of residential flats or commercial plots in India exceeding USD 25,000 or five percent of the inward remittance whichever is more.

(iii) Remittances exceeding USD 10,000,000 per project for any consultancy services in respect of infrastructure projects and USD 1,000,000 per project, for other consultancy services procured from outside India.

***Explanation:—For the purposes of this sub-paragraph, the expression “infrastructure’ shall mean as defined in explanation to para 1(iv)(A)(a) of Schedule I of FEMA Notification 3/2000-RB, dated the May 3, 2000.***

(iv) Remittances exceeding five per cent of investment brought into India or USD 100,000 whichever is higher, by an entity in India by way of reimbursement of pre-incorporation expenses.”

### **3. Procedure**

The procedure for drawal or remit of any foreign exchange under this schedule shall be the same as applicable for remitting any amount under the said Liberalised Remittance Scheme.

[F. No. 1/6/EM/2015]  
MANOJ JOSHI, Jt. Secy. (Financial Market)

**Note :** The principal rules were published in Part II, Section 3, Sub-section (i) of Gazette of India, Extraordinary, *vide* G.S.R. 381(E), dated the 3rd May, 2000.

[A.P.(DIR Series) Circular No.106 dated June 1, 2015]

**Application cum Declaration for purchase of foreign exchange under the Liberalised Remittance Scheme of USD 250,000**

**(To be completed by the applicant)**

**I. Details of the applicant**

- a. Name .....
- b. Address.....
- c. Account No.....
- d. PAN No.....

**II. Details of the foreign exchange required**

- 1. Amount (Specify currency).....
- 2. Purpose .....

**III. Sources of funds:** .....

**IV. Nature of instrument**

- Draft.....
- Direct remittance.....
- Others

**V. Details of the Beneficiary**

- 1. Name .....
- 2. Address .....
- 3. Country .....
- 4\*. Name and address of the bank.....
- 5\*. Account No.....

(\* Required only when the remittance is to be directly credited to the bank account of the beneficiary)

This is to authorize you to debit my account and effect the foreign exchange remittance/issue a draft as detailed above. (strike out whichever is not applicable).

**VI. Details of the remittances made/transactions effected under the Scheme in the current financial year (April- March) .....**

Sl. No.....Date :.....Amount :..... Name and address of AD branch/FFMC through which the transaction has been effected.

**Declaration**

I, .....(Name), hereby declare that the total amount of foreign exchange purchased from or remitted through all sources in India during the financial year as per item No.....of the Application, is within the overall limit of USD 250,000/- (US Dollar Two hundred and Fifty Thousand only), which is the limit prescribed by the Reserve Bank of India for the purpose and certify that the sources of funds for making the said remittance belong to me and the foreign exchange will not be used for prohibited purposes.

**Signature of the applicant**

(Name)

**Certificate by the Authorised Dealer**

This is to certify that the remittance is not being made by/ to ineligible entities and that the remittance is in conformity with the instructions issued by the Reserve Bank from time to time under the Scheme.

Name and designation of the authorised official:

Stamp and seal

Signature

Date:

Place:



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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**RBI/2014-15/636**

**A. P. (DIR Series) Circular No.107**

**June 11, 2015**

To

All Authorised Dealer Category-I Banks

Madam / Sir,

**Subscription to chit funds by Non-Resident Indian on non-repatriation basis**

Attention of Authorised Dealers Category – I (AD Category - I) banks is invited to the Foreign Exchange Management (Permissible Capital Account Transactions) Regulations 2000, notified vide [Notification No. FEMA 1/2000-RB dated May 3, 2000](#), as amended from time to time and Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, notified vide [Notification No. FEMA 20/2000-RB dated May 3, 2000](#), as amended from time to time.

2. In terms of Regulation 4(b) (i) of [Notification No. FEMA 1/2000-RB dated 3rd May 2000](#), no person resident outside India shall make investment in

India, in any form, in a company or partnership firm or proprietary concern or any entity, whether incorporated or not, which is engaged or proposes to engage “in the business of chit fund”.

3. The extant guidelines for subscription to the chit funds have been reviewed in consultation with the Government of India and accordingly, it has been decided to permit Non-Resident Indians (NRIs) to subscribe to the chit funds, without limit, on non-repatriation basis subject to the following conditions:

- i. The Registrar of Chits or an officer authorised by the State Government in accordance with the provisions of the Chit Fund Act

- in consultation with the State Government concerned, may permit any chit fund to accept subscription from Non-Resident Indians on non-repatriation basis;
- ii. The subscription to the chit funds shall be brought in through normal banking channel, including through an account maintained with a bank in India.
4. AD Category – I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
5. Reserve Bank has since amended the subject Regulations accordingly through the Foreign Exchange Management (Permissible Capital Account Transactions) (Second Amendment) Regulations, 2015 and Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Second Amendment) Regulations, 2015 which have been notified through [Notification No. FEMA.337/2015-RB dated March 2, 2015](#), vide G.S.R. No. 283(E) dated April 13, 2015 and [Notification No. FEMA.338/2015-RB dated March 2, 2015](#), vide G.S.R. No. 284 (E) dated April 13, 2015, respectively.
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,

**(B. P. Kanungo)**  
**Principal Chief General Manager**



**RESERVE BANK OF INDIA  
Mumbai - 400 001**

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**RBI/2014-15/637**

**A. P. (DIR Series) Circular No. 108**

**June 11, 2015**

To

All Authorised Dealer Category – I Banks

Madam/ Sir

**External Commercial Borrowings (ECB) for low cost affordable housing projects**

Attention of Authorized Dealer Category - I (AD Category - I) banks is invited to [A.P. \(DIR Series\) Circular No. 61 dated December 17, 2012](#) and [A.P. \(DIR Series\) Circular No. 113 dated June 24, 2013](#) in terms of which External Commercial Borrowings (ECB) can be raised by eligible borrowers, for low cost affordable housing projects, under the approval route.

2. On a review, it has been decided that the scheme of raising ECB for low cost affordable housing projects will continue for the financial year 2015-16 with the same terms and conditions as mentioned in the above A.P. (DIR Series) Circulars.
3. AD Category – I banks may bring the contents of this Circular to the notice of their constituents and customers.
4. 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 required, if any, under any other law.

Yours faithfully

(B. P. Kanungo)  
Principal Chief General Manager



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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**RBI//2014-15/638**  
**A.P. (DIR Series) Circular No.109**

**June 11, 2015**

To,  
All Authorised Dealer Category – I Banks  
Madam/ Sir

**External Commercial Borrowings (ECB) for Civil Aviation Sector**

Attention of Authorized Dealer Category - I (AD Category - I) banks is invited to [A.P. \(DIR Series\) Circular No. 113 dated April 24, 2012](#) in terms of which External Commercial Borrowings (ECB) can be raised by airline companies for working capital as a permissible end-use, under the approval route, subject to the conditions stipulated in the said Circular. The scheme was extended initially till December 31, 2013 vide [A.P. \(DIR Series\) Circular No.116 dated June 25, 2013](#) and thereafter till March 31, 2015 vide [A.P. \(DIR Series\) Circular No. 113 dated March 26, 2014.](#)

2. On a review, it has been decided that the above scheme of raising ECB for working capital for Civil Aviation Sector will continue till March 31, 2016 with the same terms and conditions.
3. AD Category – I banks may bring the contents of this Circular to the notice of their constituents and customers.
4. 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 required, if any, under any other law.

Yours faithfully

(B P Kanungo)  
Principal Chief General Manager



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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**RBI/2014-15/643**

**A. P. (DIR Series) Circular No.110**

**June 18, 2015**

To

All Category - I Authorised Dealer Banks

**BEF statement - Submission under XBRL**

Madam / Sir,

Attention of Authorised Dealer Category - I (AD Category - I) banks is invited to [A.P. \(DIR Series\) Circular No.106 dated June 19, 2003](#) and [A.P. \(DIR Series\) Circular No.09 dated August 18, 2003](#), in terms of which AD Category - I banks were required to submit BEF statement, to respective regional offices of Reserve Bank of India, in the prescribed format, on half yearly basis.

2. It has been decided to move from manual reporting of above mentioned statement to eXtensible Business Reporting Language (XBRL) system from half year ended June 2015. With effect from the half year ending June 2015, BEF submission would be online and Bank-wise instead of the present system of branch-wise submission, to the respective Regional Offices of the RBI.

3. Earlier, banks used to submit BEF data in part I & II on incremental basis. However, in the proposed module, AD banks have to submit data in a single format (Annex I) giving details of all remittances for import exceeding USD 100,000, as on end of June and December of every year, in respect of which importers have defaulted in submission of appropriate document evidencing import within 6 months from the date of remittance. All other instructions remain unchanged.

4. The details may be accessed at <https://secweb.rbi.org.in/orfsxbrl/>. For User name and password, AD banks are advised to submit the fill-in form (Annex II) through [email](#) on or before June 26, 2015.

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

Yours faithfully,

**(B. P. Kanungo)**  
**Principal Chief General Manager**

**Annex I**

**BEF Statement Template**

Name of AD bank	
Statement for the half-year ended	

Information regarding importers who have defaulted in submission of the documentary evidence of import								
Sr. No	Authorised Dealer Branch Code	Branch Transaction Reference Number	Importer Exporter Code Number	Name Of the Importer	Address Of the Importer	Import License Number, if any	Date Of Import Licenses	Commodity Code

Information regarding importers who have defaulted in submission of the documentary evidence of import							
Whether Capital Goods (Y/N)	Date of Remittance	Country Code	Currency	Amount In FC	Rupee Equivalent	Whether PSU (Y/N)	Remark

Name of contact person	
Designation	
Place	
Date	

**Contact Information Form\* for creation of User id- BEF Statement**  
**(Fill in Capital Letters)**

<b>A. Name of the Bank</b>	
<b>B. Contact Information</b>	DO NOT WRITE HERE
<b>B.1 Name</b>	
<b>B.2 Designation</b>	
<b>B.3 Address</b>	DO NOT WRITE HERE
<b>B.3.1</b>	
<b>B.3.2 City</b>	
<b>B.3.3 State</b>	
<b>B.3.3 Pin code</b>	
<b>B.4 Phone No</b>	DO NOT WRITE HERE
<b>C.4.1 STD Code</b>	
<b>C.4.2 Number</b>	
<b>B.5 Fax</b>	DO NOT WRITE HERE
<b>B.4.1 STD Code</b>	
<b>B.4.2 Number</b>	
<b>B.6 Email-1</b>	
<b>B.7 Email-2</b>	
<p>* Don't keep any column blank. In future, any change should be informed immediately to E-mail (<a href="mailto:fedcoexport@rbi.org.in">fedcoexport@rbi.org.in</a>).</p>	
<p><b>For RBI use only (Don't write anything below this line)</b></p>	
<p><b>USER ID :</b></p>	
<p><b>PASSWORD:</b></p>	



**RESERVE BANK OF INDIA**  
**Mumbai - 400 001**

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RBI/2014-15/644  
A.P. (DIR Series) Circular No.111

June 18, 2015

To  
All Category - I Authorised Dealer Banks

Madam/Sir,

**Exim Bank's Gol supported Line of Credit of USD 100 million  
to the Government of Socialist Republic of Vietnam**

Export-Import Bank of India (Exim Bank) has entered into an Agreement dated September 15, 2014 with the Government of Socialist Republic of Vietnam, for making available to the latter, a Line of Credit (LOC) of USD 100 million (USD One Hundred million) for financing supply of High Speed Patrol Vessel to the Socialist Republic of Vietnam. The goods, machinery, equipment and services including consultancy services from India for exports under this Agreement are those which are eligible for export under the Foreign Trade Policy of the Government of India and whose purchase may be agreed to be financed by the Exim Bank under this Agreement. Out of the total credit by Exim Bank under this Agreement, the goods and services including consultancy services of the value of at least 75% of the contract price shall be supplied by the seller from India and the remaining 25% goods and services (other than consultancy services) may be procured by the seller for the purpose of the eligible contract from outside India.

2. The Credit Agreement under the LOC is effective from May 22, 2015 and the date of execution of Agreement is September 15, 2014. Under the LOC, the last date for opening of letters of credit and disbursement will be 48 months from the scheduled completion date of contract in the case of project

exports and September 14, 2020 (72 months from the execution date of the Credit Agreement) in the case of other supply contracts.

3. Shipments under the LOC will have to be declared on EDF/ SDF Forms as per instructions issued by the Reserve Bank from time to time.

4. No agency commission is payable under the above LOC. However, if required, the exporter may use his own resources or utilize balances in his Exchange Earners' Foreign Currency Account for payment of commission in free foreign exchange. Authorised Dealer Category- I (AD Category-I) banks may allow such remittance after realization of full payment of contract value subject to compliance with the prevailing instructions for payment of agency commission.

5. AD Category-I banks may bring the contents of this circular to the notice of their exporter constituents and advise them to obtain full details of the Line of Credit from the Exim Bank's office at Centre One, Floor 21, World Trade Centre Complex, Cuffe Parade, Mumbai 400 005 or log on to [www.eximbankindia.in](http://www.eximbankindia.in).

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

Yours faithfully,

(B. P. Kanungo)  
Principal Chief General Manager



**RESERVE BANK OF INDIA**  
**Financial Markets Regulation Department**  
**Central Office**  
**Mumbai - 400 001**

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RBI/2014-15/649

June 25, 2015

**A.P. (DIR Series) Circular No. 112**

To  
All Category - I Authorised Dealer Banks

Madam / Sir,

**Overseas Foreign Currency Borrowings by Authorised Dealer Banks**

Attention of Authorised Dealer Category I (AD Category-I) banks is invited to Regulation no. (4)(2)(i) of [Notification No. FEMA 3/RB-2000 dated May 3, 2000](#), as amended from time to time, in terms of which, AD Category - I banks may borrow funds from their Head Office or overseas branches or correspondents outside India or any other entity as permitted by Reserve Bank, up to a limit of hundred per cent of their unimpaired Tier I capital as at the close of the previous quarter or USD 10 million (or its equivalent), whichever is higher, subject to such conditions as the Reserve Bank may direct. Attention is also drawn to [A.P. \(DIR Series\) Circular No. 61 dated October 10, 2013](#), in terms of which permission was granted to AD Cat-I banks to borrow from international / multilateral financial institutions for a limited period up to November 30, 2013.

2. With a view to providing greater flexibility in seeking access to overseas funds, it has now been decided to permit AD Category - I banks to borrow from international / multilateral financial institutions without approaching Reserve Bank for a case by case approval. These shall include International / Multilateral Financial Institutions of which Government of India is a shareholding member or which have been established by more than one government or have shareholding by more than one government and other international organizations.

3. Such borrowings should be for the purpose of general banking business and not for capital augmentation and shall be subject to the applicable prudential conditions stipulated in the [A.P. \(DIR Series\) Circular no. 40, 2013 dated September 10, 2013](#).

4. 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

**(R Subramanian)**  
**Chief General Manager**