

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

Notification No. FEMA. 183 /2009-RB

Dated January 20, 2009

**Foreign Exchange Management (Borrowing and Lending in Rupees)
(Amendment) Regulations, 2009**

In exercise of the powers conferred by clause (e) of sub-section (3) of Section 6 and sub-section (2) of Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) the Reserve Bank of India makes the following amendments in the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 ([Notification No. FEMA 4/2000-RB](#) dated 3rd May, 2000) as amended from time to time, namely:-

1. Short Title & Commencement :-

- (i) These Regulations may be called the Foreign Exchange Management (Borrowing and Lending in Rupees) (Amendment) Regulations, 2009.
- (ii) They shall come into force from the date specified in these regulations.

2. Amendment of the Regulations:-

In the Foreign Exchange Management (Borrowing and Lending in Rupees) Regulations, 2000 ([Notification No. FEMA 4/2000-RB](#) dated 3rd May, 2000), in Regulation 5, after sub-regulation (3) the following new sub-regulation (4) shall be inserted, namely, -

"(4) The borrowing by way of issue of preference shares on or after 30th day of April 2007 other than those which are fully and mandatorily convertible into equity

within a specified time and issue of convertible debentures on or after 7th day of June 2007, other than those which are fully and mandatorily convertible into equity within a specified time, to a person resident outside India, shall be considered as debt and shall accordingly conform to Regulation 6 of the Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) Regulations 2000 ([Notification No. FEMA. 3/2000-RB](#) dated 3rd May, 2000) including the limits to such Borrowings as specified in the said regulations.”

(Salim Gangadharan)
Chief General Manager-in-Charge

(i) **Foot Note:**

The Principal Regulations were published in the Official Gazette vide G.S.R.No. 387(E) dated May 5, 2000 in Part II, Section 3, sub-section (i) and subsequently amended as under:

G.S.R.No. 90(E) dated 12.02.2001
G.S.R.No. 754(E) dated 8.11.2002
G.S.R.No. 351(E) dated 8.06.2004
G.S.R.No. 453(E) dated 16.07.2004
G.S.R.No. 711(E) dated 14.11.2007

Published in the Official Gazette of Government of India – Extraordinary – Part-II, Section 3, Sub-Section (i) dated 20.02.2009 - G.S.R.No. 107 (E)
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