Foreign investment under the automatic route of RBI

March 23, 2000

The Reserve Bank of India has issued general permission under Foreign Exchange Regulation Act (FERA) for issue of shares to non-residents vide Notification No.FERA 215/2000-RB dated March 22, 2000. Accordingly, the eligible Indian companies can issue shares to non-residents and file the prescribed declarations etc. with the Regional Offices of RBI as hitherto.

It may be recalled that the Government of India has recently issued directions expanding substantially the 'automatic route of RBI' to cover Foreign Direct Investment (FDI)/Non-Resident Indian (NRI)/Overseas Corporate Body (OCB) investments.

The Notification dated March 22, 2000 is available on the RBI website (http://www.rbi.org.in)

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Press Release : 1999-2000/1280