Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion
SIA (FC Division)

PRESS NOTE NO. 3 (2003 SERIES)

Subject: Capitalisation of import payables – liberalisation of policy

At present, issue of shares by a company in India to a person resident outside India is permitted only against inward remittance of convertible foreign exchange through normal banking channels or by debit to NRE / FCNR account of the person concerned maintained with an authorised foreign exchange dealer / bank.

2. As a part of the ongoing process of liberalisation, it has been decided to permit issue of equity shares against lumpsum fee, royalty and External Commercial Borrowings (ECBs) in convertible foreign currency already due for payment / repayment, subject to meeting all applicable tax liabilities and procedures.

(R.S. JULANIYA)
Director

F. No. 5(4)/2003-FC dated 29th July 2003