

Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion

Press Note No. 7 (2015 Series)

Subject: Review of Foreign Direct Investment (FDI) Policy on Investments by Non Resident Indians (NRIs), Persons of Indian Origin (PIOs) and Overseas Citizens of India (OCIs)

1.0 Present Position:

- 1.1 Paragraph 2.1.27 of 'Consolidated FDI Policy Circular of 2015', effective from May 12, 2015, relating to the definition of Non Resident Indian (NRI), presently reads as below:

'Non-Resident Indian' (NRI) means an individual resident outside India who is a citizen of India or is a person of Indian origin.

2.0 Revised Position:

- 2.1 The Government of India has reviewed the FDI policy relating to investments by Non Resident Indians (NRIs), Persons of Indian Origin (PIOs) and Overseas Citizens of India (OCIs). It has been decided to amend the definition of Non Resident Indian as contained in the FDI policy, and also to provide that for the purposes of FDI policy, investment by NRIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment at par with the investment made by residents.

- 3.0 Accordingly, the following amendments are made in the 'Consolidated FDI Policy Circular of 2015', effective from May 12, 2015:

(i) Para 2.1.27 is amended to read as below:

'Non-Resident Indian' (NRI) means an individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7 (A) of the Citizenship Act, 1955. 'Persons of Indian Origin' cardholders registered as such under Notification No. 26011/4/98 F.I, dated 19.8.2002, issued by the Central Government are deemed to be 'Overseas Citizen of India' cardholders.

(ii) Insertion of a new para 3.6.2 (vii), after para 3.6.2 (vi) of the Consolidated FDI Policy Circular of 2015:

Investment by NRIs under Schedule 4 of FEMA (Transfer or Issue of Security by Persons Resident Outside India) Regulations will be deemed to be domestic investment at par with the investment made by residents.

4.0 The words 'Non-Resident Indian' (NRI) / 'Person of Indian Origin' (PIO) appearing in the Consolidated FDI Policy Circular of 2015 will be deemed to be having the same meaning as provided at Para 3.0 above.

5.0 The above decision will take effect from 18.06.2015.



(Atul Chaturvedi)

Joint Secretary to the Government of India

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For suitably incorporating the policy changes in Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 and the relevant schedules thereof.