

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

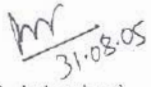
Press Note No. 4 (2005 Series)

Vide Press Note 4 (2001 Series), investment by Non-resident Indians (NRI) made in foreign exchange on non-repatriable basis was allowed to be made fully repatriable whereas investment made in Indian rupees through rupee account continued to remain non-repatriable.

2. Proposals for conversion of NRI investment into repatriable equity are hitherto being considered by the FIPB for approval. This procedure has been reviewed in the context of various liberalization measures taken by the Government in the recent past.

3. It is clarified that in terms of Press Note 4 (2001 series), all proposals would qualify for conversion of non-repatriable equity into repatriable equity under the automatic route provided:

- (a) the original investment by the NRI was made in foreign exchange under the FDI Scheme (Schedule I of FEMA Regulations 20/2000 dated 3.5.2000); and
- (b) the sector/activity in which the investment is proposed to be converted into repatriable equity is on the automatic route for FDI.


(R.S. Julaniya)
Director

No. 5/20/2005-FC dated August 31, 2005.

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