

RBI/2011-12/626 A.P. (DIR Series) Circular No. 137

June 28, 2012

Foreign Investment in India -Sector Specific conditions

Attention of Authorised Dealer Category - I (AD Category-I) banks is invited to Annex A and B of Schedule 1 to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified by the Reserve Bank vide Notification No. FEMA 20/2000-RB dated 3rd May 2000, as amended from time to time whereby description of sectors/activities wherein FDI is prohibited as also the entry norms, sectoral cap and other conditions for sectors/activities in which FDI is permitted under Government route and Automatic route are specified.

2. The Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce & Industry, Government of India has been updating/notifying the FDI policy through issue of Consolidated FDI Policy Circular. Accordingly, Government has notified the latest FDI policy changes vide FDI Policy Circular 1 of 2012 dated April 10, 2012 and the same is available at Government website www.dipp.gov.in. In order to bring uniformity in the sectoral classification position for FDI as notified under the Consolidated FDI Policy Circular with the FEMA Regulation, the revised position on Annex A and Annex B of Schedule 1 to Notification No. FEMA 20/2000-RB dated 3rd May 2000, has been suitably revised and is enclosed.

3. Necessary amendments to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 notified vide Notification No.FEMA 20/2000-RB dated May 3, 2000 will be issued separately.

4. AD Category - 1 banks may bring the contents of this circular to the notice of their constituents and customers concerned.

5. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.