



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

वेबसाइट : www.rbi.org.in/hindi

Website : www.rbi.org.in

इ-मेल email: helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, एस.बी.एस.मार्ग, मुंबई-400001

DEPARTMENT OF COMMUNICATION, Central Office, S.B.S.Marg, Mumbai-400001

फोन/Phone: 91 22 2266 0502 फैक्स/Fax: 91 22 22660358

May 22, 2015

RBI Clarification on FDI Inflows

It was recently reported in a section of the press that the amendment to Foreign Exchange Management Act (FEMA), 1999 introduced to the Finance Act, 2015 will do away with the need for the Reserve Bank of India's approval for foreign direct investments (FDI) in India.

It is clarified that in terms of the Regulations framed under FEMA, 1999, an Indian company receiving FDI does not require any prior approval of the Reserve Bank of India at any stage. It is only required to report the capital inflow and subsequently the issue of shares to the Reserve Bank in prescribed formats.

It may be noted that, FDI in India can be made through two routes, namely, the automatic route, where no prior approval from any authority is needed for an Indian company to receive FDI and the approval route, where the company receiving FDI requires prior approval of the Foreign Investment Promotion Board (FIPB). FDI under both the routes is subject to FDI policy and the conditions laid down in the relevant Regulations framed under FEMA.

Alpana Killawala

Principal Chief General Manager

Press Release: 2014-2015/2472