

# **Exchange Control**

## **JANUARY 2001**

### **Investment in Indian Venture Capital Undertakings by Registered Foreign Venture Capital Investors**

General permission has been granted to SEBI registered Foreign Venture Capital Investors (FVCIs) to invest in Indian Venture Capital Undertaking (IVCU) or in a Venture Capital Fund (VCF) by amending the Foreign Exchange Management (Transfer or Issue of Security by a

Person Resident Outside India) Regulations 2000, vide Notification No. FEMA 32/2000-RB dated December 26, 2000. No permission from FIPB is needed. The Reserve Bank would allow the registered FVCIs to maintain a foreign currency account and a convertible rupee account to facilitate its investments. No pricing norms, either for entry or for exit, have been prescribed. The FVCIs are also allowed to obtain forward cover from Authorised Dealers.