

Exchange Control September 2001

1. Extended period for realisation of full value of exports

It has been decided, as a temporary measure, to allow manufacturer exporters of products like Pharmaceuticals, Agro-chemicals, Cement and Iron and Steel, etc., having export contracts of Rs.100 crore and above, in value terms in one year, a period of 365 days from the date of shipment for the realisation and repatriation of full value of the exports of products specified. The relaxation in the period of realisation will be available for exports to be made on or after October 1, 2001, for a period of one year, subject to review.

2. Investment in India by Foreign Institutional Investors (FIIs)

Foreign Institutional Investors (FIIs) can invest in a company in India under the portfolio investment route upto 24 per cent of the paid-up capital of the company concerned. This ceiling which would earlier be increased to 49 per cent can now be raised upto sectoral cap/statutory ceiling as applicable with effect from September 20, 2001. This could, however, require Indian company to pass a resolution by its Board of Directors followed by passing of a special resolution to that effect by its General Body.