

**Issue of foreign currency convertible bonds(FCCBs)  
A.P.(DIR Series) Circular No.29 (March 11, 2002)**

**Reserve Bank of India  
Exchange Control Department  
Central Office  
Mumbai - 400 001**

March 11, 2002

A.P.(DIR Series) Circular No.29

To  
All Authorised Dealers in Foreign Exchange

Sirs/Madam

**Issue of Foreign Currency Convertible Bonds(FCCBs)**

Attention of authorised dealers is invited to sub-regulation (2) of Regulation 18 of the Reserve Bank Notification No.FEMA19/RB-2000 dated 3<sup>rd</sup> May 2000, in terms of which an Indian company or a body corporate, created by an Act of Parliament may issue FCCBs to a person resident outside India, on obtaining an approval from the Government.

2. With a view to liberalise the capital account transactions, it has been decided to put the issue of FCCBs up to USD 50 million under the Automatic Route. A copy of the Notification No. FEMA55/RB-2002 dated March 7, 2002 amending the Notification No.FEMA19/RB-2000 dated 3<sup>rd</sup> May 2000, is enclosed. Accordingly, an Indian company or a body corporate, created by an Act of Parliament may issue FCCBs not exceeding US \$ 50 million in any one financial year to a person resident outside India under the automatic route, without the approval from Government or the Reserve Bank.

3. In terms of paragraph (x) of Schedule II of the notification the issue of FCCB is required to be reported to the Reserve Bank through the designated branch of an authorised dealer. Authorised dealers may forward the same to the concerned Regional Office of the Reserve Bank for obtaining a loan registration number. While forwarding the offer documents to Reserve Bank the authorised dealers shall ensure that the FCCBs are issued strictly in accordance with the notification.

**Satish Kakar**  
**Chief General Manager**