



**RESERVE BANK OF INDIA**  
**Foreign Exchange Department**  
**Central Office**  
**Mumbai - 400 001**

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**RBI/2012-13/217**

**A. P. (DIR Series) Circular No. 32**

**September 21, 2012**

To

All Category-I Authorised Dealer Banks

Madam / Sir,

**Foreign investment in Single–Brand Product Retail Trading/ Multi-Brand Retail Trading / Civil Aviation Sector / Broadcasting Sector / Power Exchanges - Amendment to the Foreign Direct Investment Scheme**

Attention of Authorised Dealers Category – I (AD Category - I) banks is invited 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](#), as amended from time to time.

2. The extant Foreign Direct Investment policy has since been reviewed and it has now been decided as follows:

- a) FDI up to 100 per cent is now permitted in Single–Brand Product Retail Trading by only one non-resident entity, whether owner of the brand or otherwise, under the Government route subject to the terms and conditions as stipulated in [Press Note No. 4 \(2012 Series\) dated September 20, 2012](#) issued by the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India.
- b) FDI up to 51 per cent is now permitted in Multi-Brand Retail Trading under the Government route, subject to the terms and conditions as stipulated in [Press Note No. 5 \(2012 Series\) dated September 20, 2012](#) issued by the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India.
- c) Foreign airlines are permitted FDI up to 49% in the capital of Indian companies in Civil Aviation Sector, operating scheduled and non-scheduled air transport,

under the automatic/Government route subject to the terms and conditions as stipulated in [Press Note No. 6 \(2012 Series\) dated September 20, 2012](#) issued by the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India.

d) FDI limits in companies engaged in providing Broadcasting Carriage Services under the automatic/Government route have been reviewed and the same would be subject to the terms and conditions as stipulated in [Press Note No. 7 \(2012 Series\) dated September 20, 2012](#) issued by the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India.

e) FDI up to 49% is permitted in Power Exchanges registered under the Central Electricity Regulatory Commission (Power Market) Regulations, 2010, under the Government route, subject to the terms and conditions as stipulated in [Press Note No. 8 \(2012 Series\) dated September 20, 2012](#) issued by the Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India.

3. A copy each of [Press Note Nos. 4,5,6,7 and 8 \(2012 Series\) dated September 20, 2012](#) issued in this regard is enclosed.

4. AD Category - I banks may bring the contents of the circular to the notice of their customers/constituents concerned.

5. Necessary amendments to Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (Notification No. FEMA 20/2000-RB dated May 3, 2000) are being notified separately.

6. 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.

Yours faithfully,

**(Rudra Narayan Kar)**  
**Chief General Manager**