



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

[www.rbi.org.in](http://www.rbi.org.in)

RBI/2010-11/ 543

DBOD. Dir.BC. 96 /13.03.00/2010-11

May 25, 2011

All Scheduled Commercial banks  
(Excluding RRBs)

Dear Sir / Madam

**Finance for and Loans/Advances against IDRs**

In terms of Foreign Exchange Department [circular A.P. \(DIR Series\) Circular No.5 dated July 22, 2009](#), eligible companies resident outside India have been permitted to issue Indian Depository Receipts (IDRs) through a domestic depository, subject to terms and conditions indicated therein.

2. The matter regarding extending of finance for subscription to the IDRs and loans thereagainst has been examined. It has been decided that no bank should grant any loan/advance for subscription to IDRs. Further, no bank should grant any loan/advance against security/collateral of IDRs issued in India.

Yours faithfully

**(B. Mahapatra)**

Chief General Manager-in-Charge

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हिंदी आसान है, इसका प्रयोग बढ़ाइए