

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

**Notification No. FEMA. 244/2012-RB**

**Dated October 22, 2012**

**Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Seventh Amendment) Regulations, 2012**

In exercise of the powers conferred by clause (b) of sub-section (3) of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999), the Reserve Bank of India hereby makes the following amendments in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (Notification No. FEMA. 20/2000-RB dated 3rd May 2000) namely:-

**1. Short Title & Commencement**

- (i) These Regulations may be called the Foreign Exchange Management (Transfer or Issue of Security by A Person Resident Outside India) (Sixth Amendment) Regulations, 2012.
- (ii) They shall be deemed to have come into force from the 1st day of August 2012. @

**2. Amendment of Regulation 5**

In the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, (Notification No.FEMA.20/2000-RB dated 3<sup>rd</sup> May 2000), in regulation 5, in sub-regulation (1), after clause (ii), the following new clause (iii) shall be added, namely:-

“(iii) Further, notwithstanding anything contained in clause (i) of the sub-regulation (1) above, a person who is a citizen of Pakistan or an entity incorporated in Pakistan may, with the prior approval of the Foreign Investment Promotion Board of the Government of India, purchase shares and convertible debentures of an Indian company under Foreign Direct Investment Scheme, subject to the terms and conditions specified in Schedule 1.

Provided further that notwithstanding anything contained in Schedule 1, the Indian company, receiving such foreign direct investment, is not engaged or shall not

engage in sectors / activities pertaining to defence, space and atomic energy and sectors/ activities prohibited for foreign investment.”

### **3. Amendment to Schedule 1**

In the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, (Notification No.FEMA.20/2000-RB dated 3rd May 2000), the existing sub-paragraph 1 of paragraph shall be substituted by the following, namely :-

"1.(1) A person resident outside India referred to in clauses (i), (ii) and (iii) of sub-regulation (1) of Regulation 5, may purchase shares or convertible debentures issued by an Indian company up to the extent and subject to the terms and conditions set out in this Schedule."

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

Foot Note:-

(i) @ It is certified that no person will be adversely affected as a result of the retrospective effect being given to these regulations. These provisions have been notified by Department of Industrial Policy & Promotion, Ministry of Commerce & Industry, Government of India, vide Press Note No.3(2012 Series) dated August 01, 2012.

(ii) The Principal Regulations were published in the Official Gazette vide G.S.R. No.406 (E) dated May 8, 2000 in Part II, Section 3, sub-Section (i) and subsequently amended as under:-

G.S.R.No. 158(E) dated 02.03.2001  
G.S.R.No. 175(E) dated 13.03.2001  
G.S.R.No. 182(E) dated 14.03.2001  
G.S.R.No. 4(E) dated 02.01.2002  
G.S.R.No. 574(E) dated 19.08.2002  
G.S.R.No. 223(E) dated 18.03.2003  
G.S.R.No. 225(E) dated 18.03.2003  
G.S.R.No. 558(E) dated 22.07.2003  
G.S.R.No. 835(E) dated 23.10.2003  
G.S.R.No. 899(E) dated 22.11.2003  
G.S.R.No. 12(E) dated 07.01.2004  
G.S.R.No. 278(E) dated 23.04.2004  
G.S.R.No. 454(E) dated 16.07.2004  
G.S.R.No. 625(E) dated 21.09.2004  
G.S.R.No. 799(E) dated 08.12.2004  
G.S.R.No. 201(E) dated 01.04.2005  
G.S.R.No. 202(E) dated 01.04.2005  
G.S.R.No. 504(E) dated 25.07.2005  
G.S.R.No. 505(E) dated 25.07.2005

G.S.R.No. 513(E) dated 29.07.2005  
G.S.R.No. 738(E) dated 22.12.2005  
G.S.R.No. 29(E) dated 19.01.2006  
G.S.R.No. 413(E) dated 11.07.2006  
G.S.R.No. 712(E) dated 14.11.2007  
G.S.R.No. 713(E) dated 14.11.2007  
G.S.R.No. 737(E) dated 29.11.2007  
G.S.R.No. 575(E) dated 05.08.2008  
G.S.R.No. 896(E) dated 30.12.2008  
G.S.R.No. 851(E) dated 01.12.2009  
G.S.R.No. 341 (E) dated 21.04.2010  
G.S.R.No.606(E) dated 03.08.2012  
G.S.R.No.796(E) dated 30.10.2012  
G.S.R.No.797 dated 30.10.2012  
G.S.R.No.\_\_\_\_\_ dated \_\_\_\_\_ and  
G.S.R.No.795 dated 30.10.2012

**Published in the Official Gazette of Government  
of India – Extraordinary – Part-II, Section 3,  
Sub-Section (i) dated 31.12.2012- G.S.R.No.946(E)**