



**भारतीय रिज़र्व बैंक**  
**RESERVE BANK OF INDIA**

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**Monitoring of Foreign Investment under the Portfolio Investment Scheme in Indian Companies - City Union Bank Ltd.**

1. Increase in Foreign investment limit/ceiling in an Indian Company under PIS- FIIs/RFPs/QFIs- up to 40% (revised from earlier limit of 35%)
2. Removal from the Caution List – FIIs/RFPs

The Reserve Bank of India today notified that the foreign shareholding by *FIIs/RFPs* in M/s City Union Bank Ltd. has gone below the revised threshold limit stipulated under the extant FDI Policy. Hence, the restrictions placed on the purchase of shares of the above company on July 18, 2014 are withdrawn with immediate effect.

The Reserve Bank further notified that the City Union Bank Ltd. has passed a resolution at its Board of Directors' Meeting and a resolution in its Annual General Meeting agreeing for the purchase of its equity shares by *FIIs/RFPs/QFIs* up to 40% (revised from earlier limit of 35%) of their paid-up capital through primary/secondary markets in India.

The Reserve Bank has further advised that the approval to the City Union Bank Ltd. for raising *FIIs/RFPs/QFIs* investment limit to 40% is subject to the condition that aggregate foreign investment in the bank should also not exceed the composite sectoral cap of 74% (49% under Automatic Route (including indirect foreign investment) & beyond 49% to 74% under Government Route) as prescribed by the Government from time to time.

As the City Union Bank Ltd has now passed the necessary resolutions in this regard, equity shares of the City Union Bank Ltd can now be purchased through primary market and stock exchanges provided –

- (a) The purchase of equity shares by a single FII/SEBI approved sub-account of a registered FII in the City Union Bank Ltd. shall not exceed 10% (Ten percent) of the paid-up equity capital of the bank. It may be ensured that the investments made are within the stipulated ceilings.

The present policy of Department of Banking Operations and Development (DBOD) requires Reserve Bank's acknowledgement for acquisition / transfer of shares of 5% and more of a private sector bank by *FIIs*, based upon policy guidelines on acknowledgement of acquisition / transfer of shares issued on February 3, 2004.

It also advised that for *FII/RFP/QFI* and *NRI* under Portfolio Investment Scheme, individual ceiling shall be 5% respectively and aggregate limit for all *RFP/QFI* shall be 40%.

It may also be noted that all the applications for approvals received against the said scrip are duly cancelled. Equity shares of City Union Bank Ltd. can now be purchased through primary market and stock exchanges.