



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA

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Investment by FIIs under PIS : IndusInd Bank Ltd.

The Reserve Bank of India today notified that the [IndusInd Bank Ltd.](#) has passed resolutions at the board of directors' Meeting and a resolution in its Annual General Meeting agreeing for the purchase of its equity shares by Foreign Institutional Investors (FIIs) up-to 49% of their paid-up capital through primary/secondary markets in India. The Reserve Bank of India further advise that its approval to the IndusInd Bank Ltd. for raising FII investment limit to 49% is subject to the condition that aggregate foreign investment in the bank should also not exceed the composite sectoral cap of 74% as prescribed by the Government from time to time it is also advised that the existing prior approval applications for purchase of shares received through custodian banks of FIIs pending with Reserve Bank of India which could not be processed due to unavailability of limit/headroom, such investors are free to invest within the enhanced ceiling.

As the IndusInd Bank Ltd. has now passed the necessary resolutions in this regard equity shares of the IndusInd Bank Ltd. can now be purchased through primary market and stock exchanges provided:

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

The Reserve Bank of India will henceforth be monitoring the FII investment under Portfolio Investment Scheme (PIS) at sectoral cap/statutory ceiling as applicable and not the intermediate ceiling fixed by the above indicated bank. It will be the bank's responsibility to ensure that the applicable cap is not breached. The permission is being issued from FEMA angle only.

It may be noted that the present policy of Department of Banking Operations and Development (DBOD) requires RBI acknowledgement for acquisition / transfer of shares of 5% and more of a private sector bank by FIIs.

Ajit Prasad

Assistant General Manager

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