

**Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion**

Press Note No. 9 (2015 Series)

Subject: Review of the existing Foreign Direct Investment policy on Partly Paid Shares and Warrants

1.0 The Government has reviewed the provisions of the extant FDI policy on the captioned subject and it has been decided to allow partly paid shares and warrants as eligible capital instruments for the purposes of FDI policy. Accordingly, the following amendments are made in the 'Consolidated FDI Policy Circular of 2015', effective from May 12, 2015:

(i) Para 2.1.5 is amended to read as below:

“‘Capital’ means equity shares; fully, compulsorily & mandatorily convertible preference shares; fully, compulsorily & mandatorily convertible debentures and warrants.

Note: The equity shares issued in accordance with the provisions of the Companies Act, as applicable, shall include equity shares that have been partly paid. Preference shares and convertible debentures shall be required to be fully paid, and should be mandatorily and fully convertible. Further, ‘warrant’ includes Share Warrant issued by an Indian Company in accordance to provisions of the Companies Act, as applicable.”

(ii) Insertion of a new para after para 3.3.3 of Consolidated FDI Policy Circular of 2015:

3.3.3 bis: Acquisition of Warrants and Partly Paid Shares - An Indian company may issue warrants and partly paid shares to a person resident outside India subject to terms and conditions as stipulated by the Reserve Bank of India in this behalf, from time to time.

2.0 The above decision will take immediate effect.



(Atul Chaturvedi)

Joint Secretary to the Government of India

Copy forwarded to:

- 1. Press Information Officer, Press Information Bureau-** for giving wide publicity to the above Press Note.
- 2. Reserve Bank of India, Foreign Exchange Department, Mumbai-** for suitably incorporating the policy changes in Foreign Exchange Management (Transfer or issue of Security by a Person Resident outside India) Regulations, 2000 and the relevant schedules thereof.
- 3. NIC Section in the Department of Industrial Policy and Promotion-** for uploading the Press Note on DIPP's website.
- 4. Hindi Section, DIPP-** for providing Hindi version.