



## MONITORING OF FOREIGN INVESTMENT LIMITS IN LISTED INDIAN COMPANIES<sup>1</sup>

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Foreign Exchange Management (Transfer or Issue of Security by a person Resident outside India) Regulations, 2017 notified vide Notification No. FEMA 20(R)/2017-RB dated November 07, 2017<sup>2</sup> and as amended from time to time, in terms of which the onus of compliance with the sectoral/ statutory caps on foreign investment lies with the Indian investee company.

2. Currently, Reserve Bank of India receives data on investment made by Foreign Portfolio Investors (FPI) and Non-resident Indians (NRI) on stock exchanges from the custodian banks and Authorised Dealer Banks for their respective clients, based on which restrictions beyond a threshold limit is imposed on FPI/ NRI investment in listed Indian companies.

3. In order to enable listed Indian companies to ensure compliance with the various foreign investment limits, Reserve Bank in consultation with Securities and Exchange Board of India (SEBI), has decided to put in place a new system for monitoring foreign investment limits, for which the necessary infrastructure and systems for operationalizing the monitoring mechanism, shall be made available by the depositories. The same has been notified by SEBI vide Circular-IMD/FPIC/CIR/P/2018/61 dated April 05, 2018 read with Circular- IMD/FPIC/CIR/P/2018/74 dated April 27, 2018.

4. In terms of para 6 of Annexure A of the circular dated April 05, 2018, all listed Indian companies are required to provide the specified data/ information on foreign investment to the depositories. The requisite information may be provided before May 15, 2018. The listed Indian companies, in non-compliance with the above instructions will not be able to receive foreign investment and will be non-compliant with Foreign Exchange Management Act, 1999 (FEMA) and regulations made thereunder.

5. All Authorised Dealer Banks are advised to instruct their clients and respective Indian companies, about the system requirement at para 4 of this circular.

6. Further, upon implementation of the new monitoring system, all Authorised Dealer banks would be required to provide the details of investment made by their respective NRI clients to the depositories in the format as provided by the depositories/ SEBI. In addition, the reporting to Reserve Bank in the existing system, viz., LEC (NRI) and LEC (FII), would continue.

7. AD Category-I banks may bring the contents of this circular to the notice of their customers / constituents concerned.

8. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions / approvals, if any, required under any other law.

<sup>1</sup> Available at: <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11270&Mode=0>

<sup>2</sup> Available at <https://rbi.org.in/Scripts/NotificationUser.aspx?Id=11161&Mode=0>

## **SKILL DEVELOPMENT NEEDS TO RECOGNIZE TRADITIONAL SKILLS FOR ECONOMIC GROWTH OF THE STATE<sup>3</sup>**

*Odisha Skill Conclave highlights critical role of skill development in growth of the State*

All traditional skills need to be formally recognized under Skill Development and proper training needs to be imparted in these work-of-art translating into the further economic growth of the State and its people said Skill Development & Entrepreneurship and Petroleum & Natural Gas Minister Shri Dharmendra Pradhan. Addressing the inaugural session, of the 'Odisha Skill Conclave' Shri Pradhan expressed, "Odisha has abundant natural resources and a large coastline. The state has emerged as the most preferred destination for overseas investors, owing to its natural wealth which includes production of one fifth of India's coal, a quarter of its iron ore, a third of its bauxite reserves and most of the chromite. It has a rich heritage and culture, and is known for its handicraft, handloom and temples. "Skill development is a national dialogue and there have been isolated efforts to promote skill development in the State thus far; but it is our endeavour now to join the dots and have a concrete, comprehensive and collective effort with respect to skill development," he further added.

In line with the Prime Minister's vision of "Sabka Saath Sabka Vikas", the Ministry of Skill Development & Entrepreneurship organized Odisha Skill Conclave at Jatni near Bhubaneswar to define a roadmap to develop Odisha as a skill development & entrepreneurship hub of India. The two-day event has gathered more than 100 experts, industry veterans, academicians and professionals from skill ecosystem to deliberate on challenges and opportunities for skill development in the state.

The galaxy of experts from national/international organizations like NALCO, Indian Oil, Reliance, ACC, Aditya Birla, and International Labor Organization among others assembled at the Conclave to discuss the local complexities of the State, weaving the discussion and integrating them into the national skill ecosystem. The sessions on day one, highlighted the key challenges and opportunities that exist in the State, identification of cluster/areas with high demand for skills based on investments, credit off-take and mapping geographical areas of economic activities.

The event gave all participating dignitaries a comprehensive picture of the socio-economic background of the State with respect to its population demographics, proportion of youth, education averages, labour force participation and labour mobility. There are 631 ITIs today in Odisha with a seating capacity of 1, 67,753 and utilization of 54.96%. Approx. 80,000 have been trained under MSDE's flagship program Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 2016-20, which has translated into placement for nearly 50% candidates. Over 1 million people from Odisha have migrated to other parts of the country in search of jobs. Nearly, half of Odisha's population, is in age groups below 25 years. Only 6% labour force has diplomas, certificates or a graduate-and-above degrees. Odisha's incremental skill gap for 2011-2026 is expected to be around 4 million. Odisha's estimated labour demand for 2018-19 is highest in sectors like chemicals, transport, logistics, retail trading, power and healthcare.

The discussions also established that the social aspect should be accounted for while planning skill development programs. The tribal community accounts for nearly 30% of Odisha's population, the women population and their participation in economic growth, and traditional skill sets in the State all need to be considered for preparing the action plan for Odisha. It was also discussed that there is a need for synergy between those who regulate the laws on specific skills and those who train so that there is a concrete outcome to all training endeavours. Job roles for driver training and tourism guides can secure license from the government.

"India's private sector has become extremely exploitative, they need to come out of this mind-set which has linkage to the depressed wage across industries and our focus should be on increasing employability and thus reward them appropriately for their contribution. We also need sensitive good quality counselling for the youth and their parents." said Shri Subroto Bagchi, Chairman, Odisha Skill Development Authority, one of the experts at the conclave.

---

<sup>3</sup> Available at: <http://www.pib.gov.in/PressReleaseDetail.aspx?PRID=1531491>

On this occasion, Shri Pradhan also released a study report on Skill Development & Employability on tribal in Odisha, Chhattisgarh and Jharkhand. The study has been conducted by Functional Vocational Training and Research Society (FVTRS) Bangalore in association with Centre for Youth Skill Development (CYSD), Bhubaneswar.

**Team ICSI**

*Disclaimer : The information in the Info Capsules is developed according to the information available in public domain and for academic purposes only. Any person wishing to act on the basis of this document should do so only after cross checking with the original source.*