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Disclaimer: - CS Update contains government notifications, case laws and contributions received from the members. Due care and diligence is taken in compilation of the CS Update. The Institute does not own the responsibility for any loss or damage resulting from any action taken on the basis of the contents of the CS Update. Anyone wishing to act on the basis of the contents of the CS Update is advised to do so after seeking proper professional advice.
FORTHCOMING PROGRAMMES

- 10th National Conference of Practicing Company Secretaries
10th NATIONAL CONFERENCE OF PRACTISING COMPANY SECRETARIES

Hosted by Pune Chapter of The ICSI

Dates: July 31 & August 01, 2009 (Friday & Saturday)
Timings:
July 31, 2009 – 9:00 am to 6:30 pm
August 01, 2009 – 9:00 am to 4:00 pm
Venue: Yashwantrao Chavan Academy of Development Administration
(YASHADA), Raj Bhavan Complex, Baner Road, Pune - 411 007

THEME
Profession of Company Secretaries – Surging Ahead

SUB THEMES
• Corporate Boards and PCS
• Value Based Practice
• Capacity Building for Emerging Regulatory Prescriptions
• Profession-Professional-Professionalism

Speakers: Eminent faculty with comprehensive exposure to the practical aspects of the topics will address and interact with the participants.

Participants: Company Secretaries in Practice, Members who are intending to take up practice and other Professionals in Secretarial, Legal and Management disciplines would benefit by participating in the Conference.

Delegate Fees (Non-Residential)

| Practising Company Secretaries | Rs.2500/- | Students of ICSI | Rs. 2000/- |
| Members of ICSI/ICAI/ICWAI | Rs.2750/- | Licentiates, ICSI | Rs. 2000/- |
| Non-members | Rs.3000/- | Accompanying Spouse | Rs. 2000/- |

[Registration fee will cover the cost of background material, lunch, tea (both days) and dinner (Friday, July 31, 2009) excluding hotel accommodation]

Arrangements have been made for visit of Delegates to Shirdi Devasthanam.
Hotel Tariff

Hotel Tariffs for outstation delegates requiring accommodation is as under:

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Hotel Nandanvan Annexe 1210/A, Apte Road, Shirole Road, Shivajinagar, Pune 411004</th>
<th>Hotel Om Sai Palace 1202/34, Apte Road, Shirole Road, Shivajinagar, Pune 411004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check-in/out</td>
<td>9.00 a.m.</td>
<td>9.00 a.m.</td>
</tr>
<tr>
<td>Room Rates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deluxe AC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>1,800</td>
<td>1800</td>
</tr>
<tr>
<td>Double</td>
<td>2,000</td>
<td>2000</td>
</tr>
<tr>
<td>Semi Deluxe AC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>1,650</td>
<td>1600</td>
</tr>
<tr>
<td>Double</td>
<td>1,850</td>
<td>1800</td>
</tr>
<tr>
<td>Distance from Conference Venue (approx)</td>
<td>6 kms</td>
<td>6 kms</td>
</tr>
<tr>
<td>Distance from Pune Railway Station (approx)</td>
<td>5 kms</td>
<td>5 kms</td>
</tr>
<tr>
<td>Distance from Pune Airport (approx)</td>
<td>12 kms</td>
<td>12 kms</td>
</tr>
</tbody>
</table>

Important:

1. Delegates with chauffer driven Cars will have to pay extra charges of Rs.1,200 for food arrangements of Driver during the conference. These charges have to be paid immediately on arrival.

2. Limited rooms are available on ‘First Come First Served’ Basis.

3. The arrangement for Residential Accommodation has been made for One Night stay–
   a. Check in – 9.00 AM onwards on July 31, 2009
   b. Check out – on or before 9.00 AM on August 1, 2009

4. Delegates wish to avail Residential accommodation need to send their Registration along with full delegate fees and full cost of accommodation on or before July 15, 2009.
5. Any extra stay will be charged separately by Hotel directly subject to availability of rooms.

6. Any extra facilities availed by the delegate during the stay has to be paid directly to the Hotel.

7. Pick-up and drop facility from Hotel to Conference Venue and back will be made available from both the hotels.

Registration

The delegate registration fee is payable in advance and is not refundable for accepted nominations. The registration form duly completed along with a crossed demand draft may be sent in favour of “The Institute of Company Secretaries of India” payable at New Delhi/Mumbai/Pune at the following addresses:

<table>
<thead>
<tr>
<th>S N Mishra</th>
<th>Sudipto Pal</th>
<th>Anil R Tale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Director</td>
<td>Joint Director</td>
<td>Executive Officer</td>
</tr>
<tr>
<td>The Institute of Company</td>
<td>WIRC of The ICSI</td>
<td>Pune Chapter of The ICSI</td>
</tr>
<tr>
<td>Secretaries of India</td>
<td>13, Jolly Maker Chambers</td>
<td>23, Mukund Nagar, Corner of</td>
</tr>
<tr>
<td>‘ICSI HOUSE’, 22, Institutional</td>
<td>No. 2 (First Floor),</td>
<td>Lane No. 1</td>
</tr>
<tr>
<td>Area, Lodi Road, New Delhi –</td>
<td>Nariman Point</td>
<td>Above Dr. Joshi Hospital</td>
</tr>
<tr>
<td>110 003</td>
<td>Mumbai – 400 021</td>
<td>Pune – 411 037</td>
</tr>
<tr>
<td>Tel: 011-24617321-24 Extn. 1413</td>
<td>Tel: 022-22021826 / 22844073 / 22047569</td>
<td>Tel: 020-24263228 / 24260341</td>
</tr>
<tr>
<td><a href="mailto:surya@icsi.edu">surya@icsi.edu</a></td>
<td><a href="mailto:wiro@icsi.edu">wiro@icsi.edu</a></td>
<td><a href="mailto:pune@icsi.edu">pune@icsi.edu</a></td>
</tr>
</tbody>
</table>

Backgrounder-Cum-Souvenir

It is proposed to bring out a Backgrounder-cum-Souvenir containing theme articles and other relevant information. Members who wish to contribute papers for publication in the backgrounder or for circulation at the Conference are requested to send the same through email to Shri Saurabh Jain, Education Officer, The Institute of Company Secretaries of India, ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi – 110 003 at saurabh@icsi.edu with one hard copy or those sending only hard copy may send the same in duplicate to the Institute on or before July 15, 2009. The paper should not normally exceed 15 typed pages. The decision of the Institute shall be final in all respects.
The Backgrounder-cum-Souvenir would be widely circulated to professionals, corporate and regulatory authorities. Advertisement released in the Backgrounder-cum-Souvenir would receive wide publicity for Products, Services and Corporate Announcements. Members/Organisations are requested to release advertisements.

The Advertisement material along with cheque/demand draft may be sent to The Institute of Company Secretaries of India, ICSI HOUSE, 22, Institutional Area, Lodi Road, New Delhi – 110 003 or The WIRC of The ICSI, 13, Jolly Maker Chambers No. 2 (First Floor), Nariman Point, Mumbai – 400 021 or The Pune Chapter of The ICSI, 23, Mukund Nagar, Corner of Lane No. 1, Above Dr. Joshi Hospital, Pune – 411 037.

### Advertisement Tariff

<table>
<thead>
<tr>
<th>Colour Advertisement</th>
<th>Black &amp; White Advertisement</th>
<th>Rate</th>
<th>Size (cms)</th>
<th>Rate</th>
<th>Size (cms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Back Cover</td>
<td></td>
<td>Rs. 25000</td>
<td>18 x 24</td>
<td>FULL PAGE</td>
<td>Rs. 10000</td>
</tr>
<tr>
<td>Inside (Front/Back Cover)</td>
<td></td>
<td>Rs. 20000</td>
<td>18 x 24</td>
<td>Half Page</td>
<td>Rs. 5000</td>
</tr>
<tr>
<td>Special Page</td>
<td></td>
<td>Rs. 15000</td>
<td>18 x 24</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Banners

The Institute welcomes Companies and organizations to display their Banners at the venue of the Conference, which will provide wider publicity for their products / services. The tariff for display of banners is as under:

- Banner near stage : Rs. 20000 (limited to only two banners)
- Banner (L) 10’ x (B) 4’ : Rs. 10000
- Banner (L) 6’ x (B) 3’ : Rs. 5000

### Stalls

Stalls for display of products : Rs. 15000 per stall max. size 6’ x 6’

### Sponsorship for Lunch / Dinner

- Lunch per day : Rs. 1,00,000*
- Dinner for one day : Rs. 1,50,000*
- Tea / Coffee : Rs. 25,000 per session

- Co-sponsors may be considered
- Organizations providing Advertisement / sponsorships of Rs. 50,000 and more will be displayed on the Conference Backdrop.

Sponsorship of Conference Kit: Rs. 2,00,000
Visit to Shirdi Devasthan

The arrangements have been made with local tour operators to provide to delegates facility to visit Shirdi, a Devasthan of Shri Saibaba, on payment basis.

Schedule for Shirdi visit:

August 1, 2009 – Proceed to Shirdi in the evening at around 5.00 p.m. – stay at Shirdi (Darshan, if possible)
August 2, 2009 – Darshan in the morning - Breakfast / Lunch and back to Pune.

Package details:

1. 4 delegates in one AC Indica or 10 delegates in AC Tempo Traveller
2. Per Adult on twin sharing basis: Rs. 2,800

The above cost includes:

a. Pune-Shirdi-Pune by AC vehicle mentioned above-Total 2 Days including toll, taxes, parking ,driver allowance
b. Stay at Hotel Sai Leela: AC room on twin sharing basis. www.hotelsaileela.com
c. Dinner on Day 1, Breakfast and Lunch on Day 2 (Vegetarian only)
d. Company Service Charges and taxes

Interested delegates are requested to confirm their participation by July 15, 2009 and send the package cost of Rs. 2,800 with the Registration fee.

Note:

a. Single Occupancy room Rs. 900/- per pax extra
b. Reduction in number of pax in Indica Rs. 300/- per pax extra. Rs. 180/- per pax extra for Tempo Traveller.
Tourist Attractions in and around Pune

**Shaniwar Wada**: Shaniwarwada is a palace fort in the city of Pune in western Maharashtra, India. It covers six and a quarter acres in central Pune. It was constructed in 1732 as the seat of the Peshwa (prime ministers of the Maratha Empire), and remained the political capital of the Empire until its annihiation. The fort itself was largely destroyed in 1828 by an unexplained fire, but has the surviving structures now maintained as a tourist and archaeological site.

**University of Pune**: The official residence of the Governor of Bombay presidency is now being used as Pune University Campus. The building is noted for its 30 metre high square tower and beautifully laid lawns. It has several important research centers like National Chemical Laboratories, Gokhale Institute of Politics and Economics, National Institute of Virology.

**Aga Khan Palace**: The place was built in 1908 by Imam Sultani Muhammad Shah Aga Khan III. During the 1930 Quit India movement Mahatma Gandhi and his wife Kasturba Gandhi were interned here. A memorial was erected here in the memory of Kasturba Gandhi who died here.

**Sinhagad**: Sinhagad stands 25 km from Pune. It was previously known as the Kondhana Fort. The main attraction is climbing the fort on foot. The tower of Doordarshan - Mumbai is also there on Sinhagad.

**Shopping Centres**

1. **Lakshmi Road**: It is the main shopping area of Pune. It provides for various shops which give a wide range of traditional Indian sarees like Nauvari, Paithani etc.
2. **Tulsi Baug**: It is lined with temporary stalls and is nice place to shop for traditional Maharashtrian wares.
3. **M.G. Road**: This road is famous among shoppers as it provides for a lot of shops which offer a variety of cloths. On weekdays the road is closed to traffic and shoppers are allowed to take full advantage of the Walking Plaza.
City is famous for

a. Sweet: Pune is also famous for their different varieties of typical Maharashtrian sweets and is dotted by various famous sweets shops like Chitale Sweets, Kaka Halwai, Kayani Bakery & Budhani.

b. Cultural Activities: Pune city is also the cultural capital of Maharashtra and various festivals are organised like Sawai Gandharwa and Pune Festival. These festivals witnesses excellent performances by veterans like Pandit Jasraj, Bhimsen Joshi etc. It has witness dancing, singing and acting performances.
REGISTRATION FORM

10TH NATIONAL CONFERENCE FOR PRACTISING COMPANY SECRETARIES

Dear Sir,

Please register the following person as delegate for attending 10th National Conference for Practising Company Secretaries to be held on 31st July and 1st August 2009 at Pune.

Name of the Delegate: Mr. / Ms._____________________________________________
Designation:________________________________________________________________
Name of the Organization ______________________________________________________
Address: __________________________________________________________________________

Membership No: FCS____________________ ACS ______________________
CP ___________ Licentiate Membership No.________________________
Student Registration No. ________________

Contact Details:
Tel. Nos: (Off.): _______________ (Res.) : ___________ (Fax): ______________
E-mail:____________________________________ Cell: __________________________

FOR RESIDENTIAL DELEGATES:

Date and time of arrival:
Date and time of departure:
Amount of Rs_________________________ is enclosed towards 1 Night residential accommodation on Double sharing basis.

DRIVER CHARGES Rs. ________________________
TOTAL AMOUNT Rs. ________________________

Yours faithfully,

(Sponsoring Authority/Delegate)

Date: ____________________
Place: ____________________

BACK
• Shri J.N. Gupta takes charge as Executive Director, SEBI
• Securities And Exchange Board Of India (Payment Of Fees) (Amendment) Regulations, 2009
• Abolition of no-delivery period for all types of corporate actions
• Amendments to the Equity Listing Agreement
PR No.218/2009

Shri J.N. Gupta takes charge as Executive Director, SEBI

Shri Jitendra Nath Gupta took charge as Executive Director, Securities and Exchange Board of India in Mumbai today. Prior to this assignment, he was Group CFO of Kazstroy Service Group.


Widely travelled, Shri J N Gupta was based in London/ Kazakhstan for the last seven years.

Mumbai

July 09, 2009
THE GAZETTE OF INDIA
EXTRAORDINARY

PART –III – SECTION 4
PUBLISHED BY AUTHORITY
NEW DELHI, JUNE 29, 2009
SECURITIES AND EXCHANGE BOARD OF INDIA
NOTIFICATION
Mumbai, the 29th June, 2009
SECURITIES AND EXCHANGE BOARD OF INDIA (PAYMENT OF FEES)

(AMENDMENT) REGULATIONS, 2009

No. LAD-NRO/GN/2009-10/11/167759 -In exercise of the powers conferred by section 30 read with clause (k) of sub-section (2) of section 11 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996, the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, namely :-

Short title
1. These regulations may be called the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2009.

Commencement
2. They shall come into force on July 01, 2009.

Amendment to the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996.
3. In the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996, in the Second Schedule, in part A, in clause (iii), for the figure and mark “0.0005%”, the figure and mark “0.00025%” shall be substituted.

Amendment to the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
4. In the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, in the Second Schedule, -
   (i) in clause (1), for the word, mark and figure “US$ 10,000”, the word, mark and figure “US$ 5,000” shall be substituted;
(ii) in clause (2), for the word, mark and figure “US$ 10,000”, the word, mark and figure “US$ 5,000” shall be substituted; (iii) in clause (2C), for the word, mark and figure “US$ 2,000”, the word, mark and figure “US$ 1,000” shall be substituted;

(iv) in clause (2D), for the word, mark and figure “US$ 2,000”, the word, mark and figure “US$ 1,000” shall be substituted.

Amendment to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.

5. In the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, in the Second Schedule, for Part A the following Part shall be substituted, namely:-

| Application fee | US$ 2,500 |
| Registration fee | US$ 10,000 |

Amendment to the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.

6. In the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, in the Second Schedule, in item I, in clause D, for the figure “0.005”, the figure “0.0020” shall be substituted.

Amendment to Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992.

7. In the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992,

   (i) in the Schedule IIIA, in part B, in item 3, for the table and contents thereof, the following shall be substituted, namely:"

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Nature of the securities transaction</th>
<th>Rate of fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>All sale and purchase transactions in securities other than debt securities.</td>
<td>0.0001 per cent of the price at which the securities are purchased or sold (Rs. 10 per crore)</td>
</tr>
<tr>
<td>(b)</td>
<td>All sale and purchase transactions in debt securities.</td>
<td>0.000025 per cent of the price at which the securities are purchased or sold (Rs. 2.5 per crore)</td>
</tr>
</tbody>
</table>

   (ii) in Schedule IV, in item 2, –

     (a) for the words, figure and mark “0.0002 per cent”, the words, figure and mark “0.0001 per cent.” shall be substituted;

     (b) for the words, figure and mark “(Rs. 20 per crore)” occurring towards the end, the words, figure and mark “(Rs. 10 per crore)” shall be substituted.
(iii) in Schedule IVA, in item 2,
(a) for the words, figure and mark “0.0002 per cent”, the words, figure and mark “0.0001 per cent.” shall be substituted;
(b) for the words, figure and mark “(Rs. 20 per crore)” occurring towards the end, the words, figure and mark “(Rs. 10 per crore)” shall be substituted.

C. B. BHAVE
CHAIRMAN
Dear Sir/Madam,

Sub: Abolition of no-delivery period for all types of corporate actions.

1. SEBI vide circular no. SEBI/CFD/DIL/LA/1/2009/24/04 dated April 24, 2009 has reduced the notice period from companies to stock exchanges to at least 7 working days for all types of corporate actions.

2. Pursuant to the recommendations made by the Secondary Market Advisory Committee of SEBI at its meeting held on June 30, 2009, it is decided to do away with ‘no-delivery period’ for all types of corporate actions in respect of the scrips which are traded in the compulsory dematerialised mode and accordingly, short deliveries, if any, of the shares traded on cum-basis may be directly closed out. In case of such direct close-out, the mark-up price would be as stated in SEBI circular no. SMD/POLICY/Cir-08/2002 dated April 16, 2002.

3. The Stock Exchanges are also advised to:
   a. make necessary amendments to the relevant bye-laws, rules and regulations for the implementation of the above decision.
   b. bring the provisions of this circular to the notice of the member brokers/clearing members of the Exchange and also to disseminate the same on the website.
   c. communicate to SEBI, the status of the implementation of the provisions of this circular in the Monthly Development Report.

4. This circular is being issued in exercise of powers conferred under Section 11 (1) of the Securities and Exchange Board of India Act, 1992 to protect the interests of investors in securities and to promote the development of, and to regulate the securities market.

The circular will come into effect from August 1, 2009, and accordingly will apply to all corporate actions for which the record date / book closure falls on or after August 10, 2009.

Yours faithfully,

Harini Balaji
Sanjay Purao Deputy General Manager Corporation Finance Department Division of Issues and Listing  
Phone: +91 2644 9612  
Email: sanjayp@sebi.gov.in

SEBI/CFD/DIL/LA/2/2009/21/7                                                     July 21, 2009
The Managing Director/ Executive Director/ Administrator of all the Stock Exchanges

Dear Sir/Madam,

Sub.: Amendments to the Equity Listing Agreement

1. It has been decided to amend the Equity Listing Agreement to prohibit listed companies from issuing shares with superior rights as to voting or dividend vis-à-vis the rights on equity shares that are already listed. Accordingly, this circular is issued, in exercise of powers conferred by sub-section (1) of Section 11 of the Securities and Exchange Board of India Act, 1992, to protect the interest of investors in securities and to promote the development of, and to regulate the securities market. The full text of the amendment is given at Annexure A.

2. All Stock exchanges are advised to:
   (a) give effect to the above mentioned policy amendments and appropriately amend the relevant Clauses of the Equity Listing Agreement in line with the text of the amendment specified in Annexure A.
   (b) communicate to SEBI the status of implementation of the requirements of this circular in the next Monthly Development Report.

3. Applicability The amendment as specified in Annexure A shall come into force with immediate effect.

4. This circular is available on SEBI website at www.sebi.gov.in under the categories “Legal Framework” and “Issues and Listing”.

Yours faithfully,

Sanjay Purao
Encl.: Annexure A
Annexure A

1. After clause 28, the following clause shall be inserted, namely:-

28A. The company agrees that it shall not issue shares in any manner which may confer on any person, superior rights as to voting or dividend vis-à-vis the rights on equity shares that are already listed.
Issue of Indian Depository Receipts (IDRs)
Issue of Indian Depository Receipts (IDRs)

RBI/2009-10/106
A.P. (DIR Series) Circular No. 05
July 22, 2009

To

All Category – I Authorised Dealer banks

Madam / Sir,

Issue of Indian Depository Receipts (IDRs)

Attention of Authorised Dealer Category-I (AD Category-I) banks is invited to Companies (Issue of Indian Depository Receipts) Rules, 2004 (IDR Rules) notified by the Ministry of Corporate Affairs and subsequent amendments made thereto and Circular No. SEBI / CFD / DIL / DIP / 20 /2006 / 3 / 4 dated April 3, 2006 issued by the Securities and Exchange Board of India (SEBI) regarding issue of Indian Depository Receipts by foreign companies in India and the SEBI (Disclosure and Investor Protection) Guidelines, 2000.

2. In order to facilitate the eligible companies resident outside India to issue Indian Depository Receipts (IDRs) through a Domestic Depository and to permit persons resident in India and outside India to purchase, possess, transfer and redeem IDRs, it has been decided to operationalise the IDR Rules, notified by the Government of India, as amended from time to time, with immediate effect.

3. Accordingly, eligible companies resident outside India may issue Indian Depository Receipts (IDRs) through a Domestic Depository. The permission has been granted subject to compliance with the Companies (Issue of Depository Receipts) Rules, 2004 and subsequent amendments made thereto and the SEBI - 2 - (DIP) Guidelines, 2000, as amended from time to time. In case of raising of funds through issuance of IDRs by financial/banking companies having presence in India, either through a branch or subsidiary, the approval of the sectoral regulator(s) should be obtained before the issuance of IDRs.

Investment by Persons resident in India / FIIs / NRIs in IDRs

4. The FEMA Regulations shall not be applicable to persons resident in India as defined under section 2(v) of FEMA, 1999, for investing in IDRs and subsequent transfer arising out of transaction on a recognized Stock Exchange in India. Foreign Institutional Investors (FIIs) including SEBI approved sub-accounts of the FIIs, registered with SEBI and Non-Resident Indians (NRIs) may also invest, purchase, hold and transfer IDRs of eligible companies resident outside India and issued in the Indian capital market, subject to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 notified vide Notification No. FEMA 20 / 2000-RB dated May 3, 2000, as amended from time to time. Further, NRIs are allowed to invest in the IDRs out of funds held in their NRE / FCNR(B) account, maintained with an Authorised Dealer / Authorised bank.
Fungibility

5. Automatic fungibility of IDRs is not permitted.

Period of redemption

6. IDRs shall not be redeemable into underlying equity shares before the expiry of one year period from the date of issue of the IDRs.

Procedure for transfer and redemption of IDRs

7. At the time of redemption / conversion of IDRs into underlying shares, the Indian holders (persons resident in India) of IDRs shall comply with the provisions of the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004 notified vide Notification No. FEMA 120 / RB-2004 dated July 7, 2004, as amended from time to time. Accordingly, the following guidelines shall be followed, on redemption of IDRs:

i. Listed Indian companies may either sell or continue to hold the underlying shares subject to the terms and conditions as per Regulations 6B and 7 of Notification No. FEMA 120/RB-2004 dated July 7, 2004, as amended from time to time.

ii. Indian Mutual Funds, registered with SEBI may either sell or continue to hold the underlying shares subject to the terms and conditions as per Regulation 6C of Notification No. FEMA 120/RB-2004 dated July 7, 2004, as amended from time to time.

iii. Other persons resident in India including resident individuals are allowed to hold the underlying shares only for the purpose of sale within a period of 30 days from the date of conversion of the IDRs into underlying shares.

iv. The FEMA provisions shall not apply to the holding of the underlying shares, on redemption of IDRs by the FIIs including SEBI approved sub-accounts of the FIIs and NRIs.

Others

8. The proceeds of the issue of IDRs shall be immediately repatriated outside India by the eligible companies issuing such IDRs. The IDRs issued shall be denominated in Indian Rupees.

9. AD Category –I banks may bring the contents of this circular to the notice of their constituents and customers.

10. Necessary amendments to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and
Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2004, are being issued separately.

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

Yours faithfully,

(Salim Gangadharan)

Chief General Manager-in-Charge