To

All Category – I Authorised Dealer Banks

Madam / Sir,

**Depository Receipts Scheme**

Attention of Authorised Dealer Category – I (AD Category-I) banks is invited to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 (the Principal Regulations) notified by the Reserve Bank vide [Notification No. FEMA. 20/2000-RB dated 3rd May 2000](https://www.rbi.org.in), as amended from time to time.

2. A new scheme called ‘Depository Receipts Scheme, 2014’ (DR Scheme, 2014) for investments under ADR/GDR have been notified by the Central Government effective from December 15, 2014 which provides for repeal of extant guidelines for Foreign Currency Convertible Bonds and Ordinary Shares (Through Depositary Receipt Mechanism) Scheme, 1993 except to the extent relating to foreign currency convertible bonds.

3. The salient features of the new scheme are:

   - The securities in which a person resident outside India is allowed to invest under Schedule 1, 2, 2A, 3, 5 and 8 of [Notification No. FEMA. 20/2000-RB dated 3rd May 2000](https://www.rbi.org.in) shall be eligible securities for issue of Depository Receipts in terms of DR Scheme 2014;
   - A person will be eligible to issue or transfer eligible securities to a foreign depository for the purpose of issuance of depository receipts as provided in DR Scheme 2014.
   - The aggregate of eligible securities which may be issued or transferred to foreign depositaries, along with eligible securities already held by persons
resident outside India, shall not exceed the limit on foreign holding of such eligible securities under the extant FEMA regulations, as amended from time to time.

- The eligible securities shall not be issued to a foreign depository for the purpose of issuing depository receipts at a price less than the price applicable to a corresponding mode of issue of such securities to domestic investors under FEMA, 1999.
- It is to be noted that if the issuance of the depository receipts adds to the capital of a company, the issue of shares and utilisation of the proceeds shall have to comply with the relevant conditions laid down in the Regulations framed and Directions issued under FEMA, 1999.
- The domestic custodian shall report the issue/transfer of sponsored/un-sponsored depository receipts as per DR Scheme 2014 in ‘Form DRR’ as given in Annex within 30 days of close of the issue/program.

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

5. Reserve Bank has since amended the Principal Regulations through the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) (Seventeenth Amendment) Regulations, 2014 notified vide Notification No. FEMA.330/2014-RB dated December 15, 2014, c.f. G.S.R. No. 914(E) dated December 24, 2014.

6. 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

(B.P. Kanungo)
Principal Chief General Manager
Form DRR

Return to be filed by the Domestic Custodian who has arranged issue/transfer of Depository Receipts

Instructions: The Form should be completed and submitted by the Domestic Custodian to the Reserve Bank of India, Foreign Exchange Department, Foreign Investment Division, Central Office, Mumbai.

1. Name of the Domestic Custodian:

2. Address of the Domestic Custodian:

3. Details of the Security:

4. Details of the issuer of the security

5. Activity of the issuer of security (please give the NIC Code of the activity in which the company is predominantly engaged)\(^1\)

6. Whether sponsored or unsponsored

7. If sponsored, name and address of the sponsorer.

8. Name and address of the Lead Manager/Investment/Merchant Banker

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\(^1\) In terms of AP (DIR Series) Circular No 5 dated July 17, 2014, NIC 2008 codes may be reported
9. Name and address of the Sub-Managers to the issue

10. Details of FIPB approval (If foreign investment in the company is subject to FIPB approval)

11. Whether any overall sectoral cap for foreign investment is applicable. If yes, please give details.

12. If the issue of DR increases the equity capital of the company or is sponsored by the company:

Details of the Equity Capital

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<tr>
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<th>Before Issue</th>
<th>After Issue</th>
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<tbody>
<tr>
<td>(a) Authorised Capital</td>
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<tr>
<td>(b) Issued and Paid-up Capital</td>
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<td>(i) Held by persons Resident in India</td>
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<tr>
<td>(ii) Held by foreign investors other than FIIs/NRIs/PIOs/OCBs (a list of foreign investors holding more than 10 percent of the paid-up capital and number of shares held by each of them should be furnished)</td>
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<td>(iii) Held by NRIs/PIOs</td>
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<td>(iv) Held by FIIs/QFIs/registered FPIs</td>
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<td>Total Equity held by non-residents</td>
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<td>(c) Percentage of equity held by non-residents to total paid-up capital</td>
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<td>(d) Details of repatriation/utilisation of the proceeds</td>
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13. Number of DRs issued

14. Ratio of DRs to underlying securities

15. Whether funds are kept abroad. If yes, name and address of the bank

16. Whether the DR is listed/traded on an International Exchange or trading platform. If so, details of the exchange/trading platform.
17. The date on which DRs issue was launched

Certified that all the conditions laid down by Government of India and Reserve Bank of India have been complied with.

Sd/-
Chartered Accountant

Sd/-
Authorised Signatory of the Company