General Circular No. 43/2014

No. 1/21/2013-CL-V
Government of India
Ministry of Corporate Affairs

5th Floor, "A" Wing, Shastri Bhavan,
Dr R.P. Road, New Delhi
Dated: **13th November, 2014**

To

All Regional Directors,
All Registrars of Companies.

Subject: Issue of Foreign Currency Convertible Bonds (FCCBs) and Foreign Currency Bonds (FCBs) – Clarification regarding applicability of provisions of Chapter III of the Companies Act, 2013.

Sir,

The Ministry has been receiving references from stakeholders seeking clarity on applicability of provisions of Chapter III of the Companies Act, 2013 (Act) to the issue of Foreign Currency Convertible Bonds (FCCBs) and Foreign Currency Bonds (FCBs) by Indian companies exclusively to persons resident outside India in accordance with applicable sectoral regulatory provisions.

2. The matter has been examined in the Ministry in consultation with Ministry of Finance and SEBI. The issue of FCCBs and FCBs by companies is regulated by the Ministry of Finance's regulations contained in *Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993* (Scheme) and Reserve Bank of India through its various directions/regulations. It is, accordingly, clarified that unless otherwise provided in the said Scheme or the directions/regulations issued by Reserve Bank of India, provisions of Chapter III of the Act shall not apply to an issue of a FCCB or FCB made exclusively to persons resident outside India in accordance with the above mentioned regulations.

3. This issues with the approval of the competent authority.

Yours faithfully,

(KMS Narayanan)
Assistant Director (Policy)

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1. e-Governance Section and web contents Officer to place this circular on the Ministry website.

2. Guard File