

**Government of India  
Ministry of Commerce & Industry  
Department for Promotion of Industry & Internal Trade  
(FDI Policy Section)**

**Press Note No. 1(2021 Series)**

**Subject: Review of the FDI Policy on downstream investments made by Non-Resident Indians (NRIs).**

The Government of India has reviewed the extant FDI policy in relation to investments made by an Indian company owned and controlled by Non-Resident Indians (NRIs) on a non-repatriation basis and in order to provide clarity on downstream investments made following addition in the consolidated FDI Policy Circular of 2020 (FDI Policy) effective from 15.10.2020, and as amended from time to time.

2. Insertion of clause (c) under Para 1.2(ii) in Annexure 4

Investments by NRI(s) on a non-repatriation basis as stipulated under Schedule IV of Foreign Exchange Management (Non-Debt Instruments) Rules 2019 are deemed to be domestic investments at par with the investments made by residents. Accordingly, an investment made by an Indian entity which is owned and controlled by NRI(s) on a non-repatriation basis shall not be considered for calculation of indirect foreign investment.

3. The above decision will take effect from the date of FEMA notification.

  
(Manmeet Kaur Nanda) 19/03/2021

**Joint Secretary to the Government of India**

DPIIT File No. 5(13)/2020-FDI Policy dated 19 /03/2021

**Copy forwarded to:**

1. **Press Information Officer, Press Information Bureau-** for giving wide publicity to the above Press Note.
2. **Joint Secretary, Department of Economic Affairs, North Block, New Delhi**
3. **Reserve Bank of India, Foreign Exchange Department, Mumbai**
4. **NIC Section in the Department for Promotion of Industry and Internal Trade** - for uploading the Press Note on DPIIT's website.
5. **Hindi Section, DPIIT-** for providing Hindi version.

For suitably incorporating the policy changes in Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, the relevant schedules thereof and FIRMS portal