

**Government of India**  
**Ministry of Commerce & Industry**  
**Department of Industrial Policy & Promotion**  
**SIA (IP Division)**

**PRESS NOTE NO. 14 (1999 SERIES)**

The Government vide Press Note No. 4 (1997 series) had announced the norms for FDI in NBFC sector. It was further clarified vide Press Note No. 16 (1998 series) that foreign investment proposals for purely financial consultancy services that are not fund based would not be subjected to the minimum capitalisation norms as applicable to the NBFCs subject to certain conditions. Further clarifications were issued vide Press Note No. 12 (1999 series) that the minimum capitalisation norm of US\$ 0.5 million shall be applicable to certain activities which are non fund based and only advisory or consultancy in nature, irrespective of foreign equity participation level.

The matter has been reviewed and it is clarified that the minimum capitalisation norm of US\$ 0.5 million shall be applicable in respect of all permitted non fund based NBFCs with foreign investment.

The other provisions of the guidelines as contained in earlier Press Notes referred to above, would however, continue to be applicable.

**Sd/-**

**(ASHOK KUMAR)**

**Joint Secretary to the Government of India**

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Copy forwarded to the Press Information Officer, Press Information Bureau, for giving wide publicity to the above Press Note.