

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

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**REPORT OF THE COMMITTEE TO REVIEW THE FRAMEWORK OF ACCESS TO  
DOMESTIC AND OVERSEAS CAPITAL MARKETS (PHASE II, PART I: INDIAN  
DEPOSITORY RECEIPTS)**

**New Delhi, June 26, 2014**  
**Ashadha 5, 1936**

A Committee was constituted on 10<sup>th</sup> January, 2014 under the chairmanship of Shri. M.S. Sahoo, Secretary, Institute of Company Secretaries of India to review the entire framework of access to domestic and overseas capital markets and related aspects. The Committee has submitted its Report in respect of Indian Depository Receipts (IDRs) to Government of India in June, 2014.

The Committee suggested reforms in the framework of domestic depository receipts, within the overall capital control regime. The laws and regulations relating to markets and Indian institutional investors must be modified to ensure that there is a level playing field between an Indian security and a domestic DR in the eyes of all Indian institutional investors and they must be allowed, enabled and encouraged to reduce their portfolio risk through international diversification including investments in IDRs.

The Committee refers to the set of foreign securities accessible to Indian investors under the capital control regime as 'permissible securities'. It refers to the DRs on the back of such permissible securities as "Bharat Depository Receipts (BhDRs)". It also recommends to create two 'levels' of BhDRs with Level-I being restricted to sophisticated investors and Level-II being made available for all investors, including Indian retail investors.

Ministry of Finance would examine the Report in consultation with RBI & SEBI.

The copy of the report is placed in the public domain and may be accessed from the website of Ministry of Finance, Government of India (<http://www.finmin.nic.in>). Views/comments on the Report may be sent to Mr. Sanjeev Kaushik, Director (External Markets), Ministry of Finance at ([sanjeev.kaushik@nic.in](mailto:sanjeev.kaushik@nic.in)).

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