



RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001

RBI/2012-13/529

A.P. (DIR Series) Circular No.110

June 12, 2013

To

All Category - I Authorised Dealer banks

Madam / Sir,

**Foreign Direct Investment –
Reporting of issue / transfer of Shares to/by a FVCI**

Attention of Authorised Dealers Category-I (AD Category - I) banks is invited to Regulations 9 and 10 and para 9 of Schedule I to the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 notified vide [Notification No. FEMA 20 / 2000 -RB dated May 3, 2000](#) (hereinafter referred to as Notification No. FEMA 20), as amended from time to time. Attention of AD Category - I banks is also invited to [A. P. \(DIR Series\) Circular No. 44 dated May 30, 2008](#) and [A.P. \(DIR Series\) Circular No.63 dated April 22, 2009](#).

2. In terms of the said regulations, transfer of equity shares / fully and mandatorily convertible debentures/ fully and mandatorily convertible preference shares (hereinafter referred to as 'shares') of an Indian company, from a person resident outside India (non-resident) to a person resident in India (resident) or vice versa, has to be reported to an Authorized Dealer bank within 60 days of transactions. Further, the receipt of consideration for issue of shares as well as the issue of shares of an Indian company, to a non-resident has to be reported to the Reserve Bank of India through an Authorized Dealer bank within 30 days of the transaction.

3. It has been observed that SEBI registered FVCIs making investments in an Indian Company under FDI Scheme in terms of Schedule 1 of Notification No. FEMA.20 / 2000 - RB dated May 3, 2000, as amended from time to time, also report the same transaction under Schedule 6 of the Notification *ibid*, resulting in double reporting of the transaction.

4. It is clarified that wherever a SEBI registered FVCI acquires shares of an Indian company under FDI Scheme in terms of Schedule 1 of Notification No. FEMA 20 / 2000-RB dated May 3, 2000, as amended from time to time, such investments have to be reported in form FC-GPR/FC-TRS only, as applicable. Where the investment is under Schedule 6 of the Notification *ibid*, no FC-GPR/FC-TRS reporting is required. Such transactions would be reported by the custodian bank in the monthly reporting format as prescribed by RBI from time to time. Revised forms FC-GPR and FC-TRS are annexed as ANNEX-I and ANNEX-II, respectively, to this A.P.(DIR Series) Circular.

5. A SEBI registered FVCI while making investment in an Indian company may determine upfront whether the said investment is under FDI or FVCI scheme and report accordingly. For the guidance of FVCI investors, a suitable remark in para 3(4) and 5(a)(4) of form FC-GPR and para 4(4) and para 5(4) of form FC-TRS, has been incorporated, which would read as follows:

'The investment/s made by SEBI registered FVCI is/are under FDI Scheme, in terms of Schedule 1 to Notification No. FEMA 20 dated May 3, 2000.'

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

7. Reserve Bank has since amended the Regulations vide [Notification No.FEMA.266/2013-RB dated March 05, 2013](#) and notified vide G.S.R.No.341(E) dated May 28, 2013.

8. 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,

(Rudra Narayan Kar)
Chief General Manager-in-Charge

**[ANNEX-I to A.P.(DIR Series)
Circular No.110 of 12.06.2013]**

FC-GPR

(To be filed by the company through its Authorised Dealer Category – I bank with the Regional Office of the RBI under whose jurisdiction the Registered Office of the company making the declaration is situated as and when shares/convertible debentures / others are issued to the foreign investor, along with the documents mentioned in item No. 4 of the undertaking enclosed to this form)

Permanent Account Number (PAN) of the investee company given by the Income Tax Department	<input type="text"/>
<i>Date of issue of shares / convertible debentures/others</i>	<input type="text"/>

No.	Particulars	(In Block Letters)
1.	Name	
	Address of the Registered Office	
	State	
	Registration No. given by Registrar of Companies	
	Whether existing company or new company (strike off whichever is not applicable)	Existing company / New company
	If existing company, give registration number allotted by RBI for FDI, if any	
	Telephone	
	Fax	
	e-mail	

2.	Description of the main business activity NIC Code	
	Location of the project and NIC code for the district where the project is located	
	Percentage of FDI allowed as per FDI policy	
	State whether FDI is allowed under Automatic Route or Approval Route (strike out whichever is not applicable)	Automatic Route / Approval Route
3	Details of the foreign investor / collaborator^{1*}	
	Name Address Country Constitution / Nature of the investing Entity [Specify whether 1. Individual 2. Company 3. FII 4. FVCI [#] 5. Foreign Trust 6. Private Equity Fund 7. Pension / Provident Fund 8. Sovereign Wealth Fund (SWF) ² 9. Partnership / Proprietorship Firm 10. Financial Institution 11. NRIs / PIO 12. Others (please specify)] Date of incorporation	

* If there is more than one foreign investor/collaborator, separate Annex may be included for items 3 and 4 of the Form.

² SWF means a Government investment vehicle which is funded by foreign exchange assets, and which manages those assets separately from the official reserves of the monetary authorities.

[#] The investment/s is/are made by FVCI under FDI Scheme in terms of Schedule I to Notification No. FEMA 20/2000-RB dated May 3, 2000.

4	Particulars of Shares / Convertible Debentures /others Issued							
(a)	Nature and date of issue							
		<i>Nature of issue</i>	<i>Date of issue</i>	<i>Number of shares/ convertible debentures/others</i>				
	01	IPO / FPO						
	02	Preferential allotment / private placement						
	03	Rights						
	04	Bonus						
	05	Conversion of ECB						
	06	Conversion of royalty (including lump sum payments)						
	07	Conversion against import of capital goods by units in SEZ						
	08	ESOPs						
	09	Share Swap						
	10	Others (please specify)						
		Total						
(b)	Type of security issued							
	No.	Nature of security	<i>Number</i>	<i>Maturity</i>	<i>Face value</i>	Premium	<i>Issue Price per share</i>	<i>Amount of inflow*</i>
	01	Equity						
	02	Compulsorily Convertible Debentures						
	03	Compulsorily Convertible Preference shares						
	04	Others (please specify)						
		Total						

- i) In case the issue price is greater than the face value please give break up of the premium received.
ii) * In case the issue is against conversion of ECB or royalty or against import of capital goods by units in SEZ, a Chartered Accountant's Certificate certifying the amount outstanding on the date of conversion

(c)	Break up of premium	Amount
	Control Premium	
	Non competition fee	
	Others [@]	
	Total	

[@] please specify the nature

(d)	Total inflow (in Rupees) on account of	
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	<p>issue of shares / convertible debentures/others to non-residents (including premium, if any) vide</p> <p>(i) Remittance through AD: (ii) Debit to NRE/FCNR/Escrow A/c with Bank _____ (iii) Others (please specify)</p> <p>Date of reporting of (i) and (ii) above to RBI under Para 9 (1) A of Schedule I to Notification No. FEMA 20 /2000-RB dated May 3, 2000, as amended from time to time.</p>	
(e)	Disclosure of fair value of shares issued**	
	We are a listed company and the market value of a share as on date of the issue is*	
	We are an un-listed company and the fair value of a share is*	

** before issue of shares

*(Please indicate as applicable)

5. Post issue pattern of shareholding							
		Equity			Compulsorily convertible Preference Shares/ Debentures/other s		
Investor category		No. of shares	Amount (Face Value) Rs.	%	No. of shares	Amount (Face Value) Rs.	%
a)	Non-Resident						
	01 Individuals						
	02 Companies						
	03 FIs						
	04 FVCIs [#]						
	05 Foreign Trusts						
	06 Private Equity Funds						
	07 Pension/ Provident Funds						
	08 Sovereign Wealth Funds						
	09 Partnership/ Proprietorship Firms						
	10 Financial Institutions						
	11 NRIs/PIO						
	12 Others (please specify)						
	Sub Total						
b)	Resident						
Total							

[#] The investment/s is/are made by FVCI under FDI Scheme in terms of Schedule I to Notification No. FEMA 20/2000-RB dated May 3, 2000.

DECLARATION TO BE FILED BY THE AUTHORISED REPRESENTATIVE OF THE INDIAN COMPANY: *(Delete whichever is not applicable and authenticate)*

We hereby declare that:

1. We comply with the procedure for issue of shares / convertible debentures as laid down under the FDI scheme as indicated in Notification No. FEMA 20/2000-RB dated 3rd May 2000, as amended from time to time.

2. The investment is within the sectoral cap / statutory ceiling permissible under the Automatic Route of RBI and we fulfill all the conditions laid down for investments under the Automatic Route namely (strike off whichever is not applicable).

a) Shares issued on rights basis to non-residents are in conformity with Regulation 6 of the RBI Notification No FEMA 20/2000-RB dated 3rd May 2000, as amended from time to time.

OR

b) Shares issued are bonus.

OR

c) Shares have been issued under a scheme of merger and amalgamation of two or more Indian companies or reconstruction by way of de-merger or otherwise of an Indian company, duly approved by a court in India.

OR

d) Shares are issued under ESOP and the conditions regarding this issue have been satisfied

3. Shares have been issued in terms of SIA /FIPB approval No. _____ dated _____

4 The foreign investment received and reported now will be utilized in compliance with the provision of a Prevention of Money Laundering Act 2002 (PMLA) and Unlawful Activities(Prevention) Act, 1967 (UAPA). We confirm that the investment complies with the provisions of all applicable Rules and Regulations

5. We enclose the following documents in compliance with Paragraph 9 (1) (B) of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000:

- (i) A certificate from our Company Secretary certifying that
 - (a) all the requirements of the Companies Act, 1956 have been complied with;
 - (b) terms and conditions of the Government approval, if any, have been complied with;
 - (c) the company is eligible to issue shares under these Regulations; and

- (d) the company has all original certificates issued by authorised dealers in India evidencing receipt of amount of consideration in accordance with paragraph 8 of Schedule 1 to Notification No. FEMA 20/2000-RB dated May 3, 2000.
- (ii) A certificate from SEBI registered Merchant Banker / Chartered Accountant indicating the manner of arriving at the price of the shares issued to the persons resident outside India.

6. Unique Identification Numbers given for all the remittances received as consideration for issue of shares/ convertible debentures/others (details as above), by Reserve Bank.

R																			
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.																			
R																			

(Signature of the Applicant)* : _____
 (Name in Block Letters) : _____
 (Designation of the signatory) : _____

Place:
 Date:

(* To be signed by Managing Director/Director/Secretary of the Company)

Form FC-TRS	
Declaration regarding transfer of shares / compulsorily and mandatorily convertible preference shares (CMCPS) / debentures /others by way of sale from resident to non resident / non-resident to resident	
(to be submitted to the designated AD branch in quadruplicate within 60 days from the date of receipt of funds)	
<p>The following documents are enclosed</p> <p><i>For sale of shares / compulsorily and mandatorily convertible preference shares / debentures / others by a person resident in India</i></p> <ul style="list-style-type: none"> i. Consent Letter duly signed by the seller and buyer or their duly appointed agent and in the latter case the Power of Attorney Document. ii. The shareholding pattern of the investee company after the acquisition of shares by a person resident outside India. iii. Certificate indicating fair value of shares from a Chartered Accountant. iv. Copy of Broker's note if sale is made on Stock Exchange. v. Declaration from the buyer to the effect that he is eligible to acquire shares / compulsorily and mandatorily convertible preference shares / debentures/others under FDI policy and the existing sectoral limits and Pricing Guidelines have been complied with. vi. Declaration from the FII/sub account to the effect that the individual FII / Sub account ceiling as prescribed has not been breached. <p><i>Additional documents in respect of sale of shares / compulsorily and mandatorily convertible preference shares / debentures / others by a person resident outside India</i></p> <ul style="list-style-type: none"> vii. If the sellers are NRIs/OCBs, the copies of RBI approvals, if applicable, evidencing the shares held by them on repatriation/non-repatriation basis. viii. No Objection/Tax Clearance Certificate from Income Tax Authority/ Chartered Account. 	
1	<p>Name of the company</p> <hr/> <p>Address (including e-mail , telephone Number, Fax no)</p> <hr/> <p>Activity</p>

	NIC Code No.	
2	Whether FDI is allowed under Automatic route	
	Sectoral Cap under FDI Policy	
3	Nature of transaction <i>(Strike out whichever is not applicable)</i>	Transfer from resident to non resident / Transfer from non resident to resident
4	Name of the buyer	
	Constitution / Nature of the investing Entity Specify whether <ol style="list-style-type: none"> 1. Individual 2. Company 3. FII 4. FVCI[#] 5. Foreign Trust 6. Private Equity Fund 7. Pension/ Provident Fund 8. Sovereign Wealth Fund (SWF^o) 9. Partnership / Proprietorship firm 10. Financial Institution 11. NRIs / PIOs 12. others 	
	Date and Place of Incorporation	
	Address of the buyer <i>(including e-mail, telephone number. Fax no.)</i>	
5	Name of the seller	
	Constitution / Nature of the disinvesting entity Specify whether <ol style="list-style-type: none"> 1. Individual 	

[#] The initial investment/s was/were made by FVCI under FDI Scheme in terms of Schedule 1 to Notification No. FEMA.20/2000-RB dated May 3, 2000

^o SWF mean a Government investment vehicle which is funded by foreign exchange assets, and which manages those assets separately from the official reserves of monetary authorities.

	2. Company 3. FII 4. FVCI ^{##} 5. Foreign Trust 6. Private Equity Fund 7. Pension/ Provident Fund 8. Sovereign Wealth Fund (SWF ^o) 9. Partnership/ Proprietorship firm 10. Financial Institution 11. NRIs/PIOs 12. Others ⁱ				
	Date and Place of Incorporation				
	Address of the seller (<i>including e-mail, telephone Number Fax no</i>)				
6	Particulars of earlier Reserve Bank / FIPB approvals				
7	Details regarding shares / compulsorily and mandatorily convertible preference shares (CMCPS) / debentures/ others (such as FDI compliant instruments like participating interest rights in oil fields, etc.) to be transferred				
	<i>Date of the transaction</i>	<i>Number of shares CMCPS / debentures /others</i>	<i>Face value in Rs.</i>	<i>Negotiated Price for the transfer**in Rs.</i>	<i>Amount of consideration in Rs.</i>
8	Foreign Investments in the company		No. of shares	Percentage	
		Before the transfer			
		After the transfer			
9.	Where the shares / CMCPS /				

^{##} The initial investment/s was/were made by FVCI under FDI Scheme in terms of Schedule 1 to Notification No. FEMA.20/2000-RB dated May 3, 2000.

^o SWF mean a Government investment vehicle which is funded by foreign exchange assets, and which manages those assets separately from the official reserves of monetary authorities.

	debentures / others are listed on Stock Exchange	
	Name of the Stock Exchange	
	<i>Price Quoted on the Stock exchange</i>	
	Where the shares / CMCPS / debentures / others are Unlisted	
	Price as per Valuation guidelines*	
	Price as per Chartered Accountants * / ** Valuation report (CA Certificate to be attached)	
<p>Declaration by the transferor / transferee I / We hereby declare that</p> <ol style="list-style-type: none"> i. The particulars given above are true and correct to the best of my/our knowledge and belief. ii. I/ We, was/were holding the shares compulsorily and mandatorily convertible preference shares / debentures/ other as per FDI Policy under FERA/ FEMA Regulations on repatriation/non repatriation basis. iii. I/ We, am/are eligible to acquire the shares compulsorily and mandatorily convertible preference shares / debentures /other of the company in terms of the FDI Policy. It is not a transfer relating to shares compulsorily and mandatorily convertible preference shares / debentures /others of a company engaged in financial services sector or a sector where general permission is not available. iv. The Sectoral limit under the FDI Policy and the pricing guidelines have been adhered to. <p style="text-align: right;">Signature of the Declarant or his duly authorised agent</p> <p style="text-align: center;">Date: Note:</p> <p><i>In respect of the transfer of shares / compulsorily and mandatorily convertible preference shares / compulsorily and mandatorily convertible debentures/ others from resident to non resident the declaration has to be signed by the non resident buyer, and in respect of the transfer of shares / compulsorily and mandatorily convertible preference shares / compulsorily and mandatorily convertible debentures/ other from non-resident to resident the declaration has to be signed by the non-resident seller.</i></p>		

Certificate by the AD Branch

It is certified that the application is complete in all respects.

The receipt / payment for the transaction are in accordance with FEMA Regulations / Reserve Bank guidelines.

Signature

Name and Designation of the Officer

Date : Name of the AD Branch

AD Branch Code

Know Your Customer (KYC) Form in respect of the non-resident investor

Registered Name of the Remitter / Investor (Name, if the investor is an Individual)	
Registration Number (Unique Identification Number* in case remitter is an Individual)	
Registered Address (Permanent Address if remitter Individual)	
Name of the Remitter's Bank	
Remitter's Bank Account No.	
Period of banking relationship with the Remitter	

*Passport No., Social Security No, or any Unique No. certifying the bonafides of the remitter as prevalent in the remitter's country.

We confirm that all the information furnished above is true and accurate as provided by the overseas remitting bank of the non-resident investor.

(Signature of the Authorised Official
of the AD bank receiving the remittance)

Date:

Place:

Stamp :

Proforma

Statement of inflows/outflows on account of remittance received/made in connection with transfer of shares / compulsorily and mandatorily convertible preference shares / debentures/ other, by way of sale

Category-wise

Part A - NRI/erstwhile OCB

Part B - Foreign National/non-resident incorporated entity

Part C - Foreign Institutional Investors

Inflow - Transfer from resident to non-resident

[Amount in Rs.]

Date of Transaction	Name of the Company	Activity	NIC Code	Name of the Buyer	Constitution/ Nature of Business of the Buyer	Name of the Seller	Constitution/ Nature of Business of the Seller	No. of Shares transferred	Face Value	Sale price per share	Total Inflow
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)

Outflow - Transfer from non-resident to resident

[Amount in Rs.]

Date of Transaction	Name of the Company	Activity	NIC Code	Name of the Seller	Constitution/ Nature of Business of the Seller	Name of the Buyer	Constitution/ Nature of Business of the Buyer	No. of Shares transferred	Face Value	Sale price per share	Total out-flow
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
