



RESERVE BANK OF INDIA FOREIGN EXCHANGE DEPARTMENT

**FOREIGN INVESTMENT REPORTING AND MANAGEMENT SYSTEM
(FIRMS)**

User Manual for Business Users

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INTRODUCTION

- i. The Reserve Bank, in the First Bi-monthly Monetary Policy Review dated April 5, 2018 announced that with the objective of integrating the extant reporting structures of various types of foreign investment in India, it will introduce a Single Master Form (SMF) subsuming all the existing reports.
- ii. In order to implement this announcement, the Reserve Bank introduced an online application, FIRMS (Foreign Investment Reporting and Management System), which would provide for the SMF. FIRMS was made online in two phases. In the first phase, the first module viz., the Entity Master, was made available online. Instructions in this regard were issued through A. P. Dir. Series Circular No. 30 dated June 07, 2018 (https://rbi.org.in/Scripts/BS_CircularIndexDisplay.aspx?Id=11297).
- iii. In the second phase, the second module was made available with effect from September 01, 2018. With the implementation of SMF, the reporting of FDI, which was a two-step procedure viz., ARF and FC-GPR were merged into a single revised FC-GPR. With effect from September 01, 2018, five forms viz., FC-GPR, FC-TRS, LLP-I, LLP-II and CN were being made available for filing in SMF. The other three forms viz., ESOP, DI, and DRR were made available for filing with effect from October 23, 2018. With effect from September 01, 2018, all new filings for the 5 forms and other three forms viz., ESOP, DRR and DI with effect from October 23, 2018 have to be done in SMF only. Form InVi was made available for filing in SMF with effect from February 05, 2019.
- iv. The first module was made available to the public for data entry between June 28 (at 1:00PM) and July 12, 2018. The date was extended till July 20, 2018. For those companies which could not register within the stipulated time period may register for the entity master with effect from September 01, 2018. However, they shall provide the reasons for not making registration within the time period along with the authority letter. (Please see the user manual for entity master)
- v. From January 05, 2023, a rationalised version of FIRMS was launched to implement the following changes:
 - a) Auto-acknowledgement of SMF on FIRMS to address the issue of sequential filing
 - b) Online calculation of Late Submission Fee (LSF)

IMPORTANT ABBREVIATIONS

ABBREVIATION	DESCRIPTION
NDI Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 dated October 17, 2019 as amended from time to time.
FEMA 395	Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 dated October 17, 2019, as amended from time to time.
SMF	Single Master Form
AD Bank	Authorised Dealer Bank
BU	Business User
EM	Entity Master
LLP	Limited Liability Partnership
CN	Convertible Notes
ESOP	Employee Stock Option Plan
DR	Depository Receipts
ADR	American Depository Receipts
GDR	Global Depository Receipts
DI	Downstream Investment
InVi	Investment vehicle

DEFINITIONS:

- i. **FIRMS:** An online reporting platform for reporting of foreign investment into India brought in accordance with FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable FIRMS provides a one stop, 24x7 online reporting facility for applicants.
- ii. **Single Master Form (SMF):** A master form which provides for the reporting of 9 forms for foreign investment viz., FC-GPR, FC-TRS, LLP-I, LLP-II, CN, DRR, ESOP, DI and InVi. With effect from September 1, 2018, five forms viz., FC-GPR., FC-TRS, LLP-1, LLP-II and CN were made available. Other three forms viz., ESOP, DI and DRR were made available for filing with effect from October 23, 2018. Form InVi was available for filing with effect from February 05, 2019.
- iii. **Business User (BU):** A BU is an applicant who reports the transaction in Single Master Form in FIRMS. A BU can use his login credentials for only the entity that has authorized him/her to report the transactions. If the person wants to act as a BU for another entity, he must register himself separately. Further, at the time of registration, the BU must select the IFSC code of the bank which would approve the e-KYC (explained under the head “Registration of Business User”). In case the IFSC details are changed i.e., BU wishes to submit the reporting to another branch or another bank, while the entity being the same, the BU needs to repeat the registration process for Business user with the new IFSC code and obtain separate Login.
- iv. **e-KYC:** Every business user has to be e-KYC verified before any reporting can be made in the Single Master Form. This would ensure that only genuine logins are made available in the FIRMS application. All e-KYC would be verified by the AD banks.
- v. **Know Your Customer (KYC):** For the remittance received from the non-resident investor, the KYC of the same is to be provided along with the forms in SMF as and where applicable and indicated. The format of the KYC is at Annex II.

BUSINESS USER (BU) REGISTRATION

1. Process flow for BU Registration:

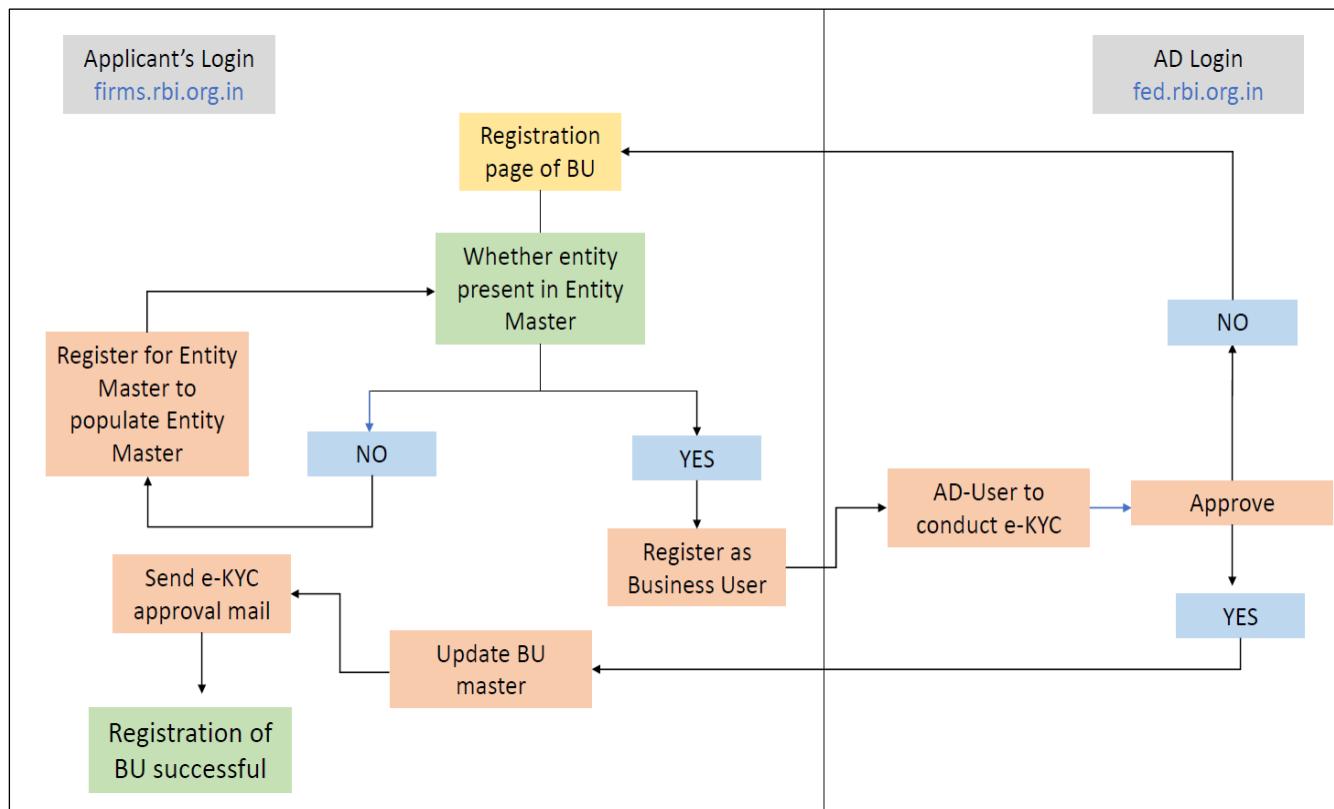
Legend:

EM – Entity Master (Investee Company)

BU – Business User (Authorized person to file Forms)

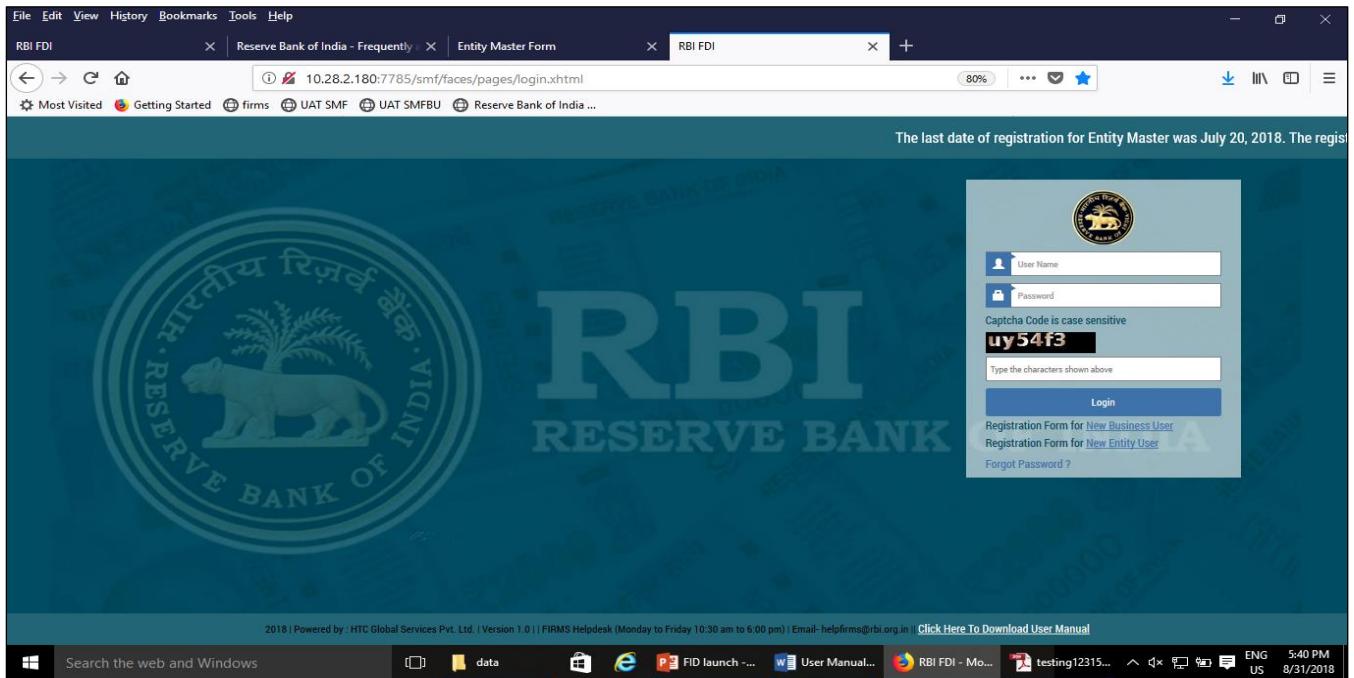
FIRMSBU – portal for AD/RBI users can be accessed via “fed.rbi.org.in”

FIRMS – portal for filing forms by BU Users can be accessed over internet via <https://firms.rbi.org.in>

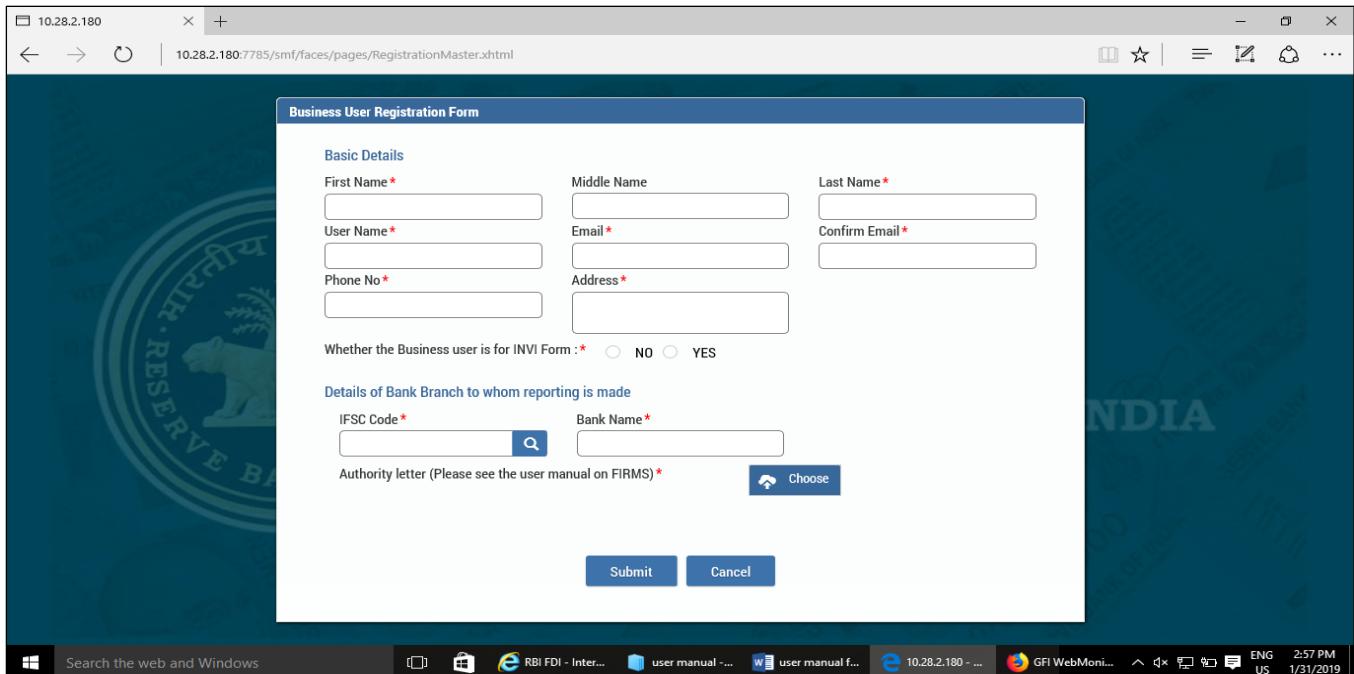


2. REGISTRATION FOR BUSINESS USER:

STEP 1: Go to the FIRMS website at <https://firms.rbi.org.in>



STEP 2: At the Login box, click on Registration form for **New Business User**.



STEP 3: Fill up the details in the popped-up registration form for BU as below:

Field Name	Description
First Name	First Name of the BU
Middle Name	Middle Name of the BU
Last Name	Last Name of the BU
User Name	User name for the BU. It shall be unique.
Email	Email ID of the BU
Confirm email	
Phone No	Mobile No of the BU.
Address	Correspondence Address of the BU
Whether the Business User is for Form InVi	Select YES or NO. If YES is selected, then CIN/LLPIN details of the Investee Company is NOT required as Form InVi is for reporting foreign inflows in an Investment vehicle and not foreign investment in an Entity. If NO is selected, then CIN/LLPIN of the Investee Company is required for making registration.
IFSC code	Select the IFSC code of the Bank branch to whom the reporting would be made. This field shall be carefully selected so that the reporting is made to the correct branch of the bank. The applicant shall be versed with the working model of his/her bank for the foreign investment reporting in terms of the branches which are operating for the approval/rejection of the reported forms in the FIRMS application. Not all branches are incorporated in the FIRMS application, but only those as specified by the respective bank. If the applicant is unable to find its respective branch under the IFSC code, he/she may contact its AD Bank for clarification on this issue.
Bank name	Auto-populated as per the IFSC code selected.
Authority letter-Attachment	Attachment in the specified format for Authority letter. It is common for all forms filing in SMF. Attach PAN card of the individual registering as a Business User
Company CIN/LLPIN	Select the CIN or LLPIN of the entity of which the foreign investment is being affected i.e., the Indian investee company.
PAN Number	Auto-populated based upon CIN/LLPIN selection
Entity name	Auto-populated based upon CIN/LLPIN selection

STEP 4: Click Submit button. In case any error is displayed, rectify the same and click Submit button.

STEP 5: A Message “*Record Saved Successfully*” is displayed at the top of Login box. This message intimates that the form has been submitted for processing and is not equivalent to approval.

After BU submits the registration form, the same will have to be verified by the AD Bank Branch concerned. The Approval/ Rejection of the same would be communicated through email notification to the BU.

NOTE:

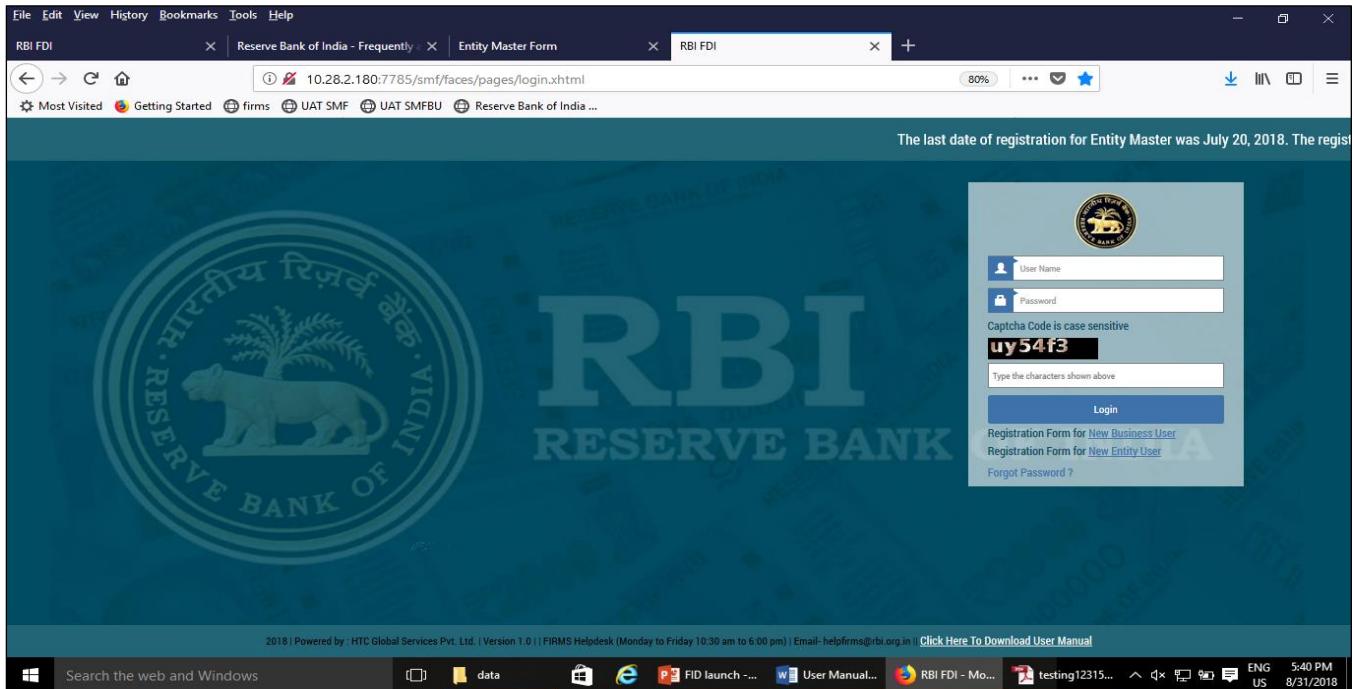
- i. Unlike Entity User registrations, Business User registration is processed at AD bank level, whose IFSC has been selected at the time of registration.
- ii. If an error “*Username already exists*” is displayed while submitting the Business User registration Form, use a different username and submit.
- iii. Board Resolution is not required at the time of BU registration. Only the authority letter in the specified format is necessary.

3. LIST OF MANDATORY DOCUMENTS WHILE DOING BUSINESS USER REGISTRATION: Refer Annex III

4. LOGGING INTO FIRMS:

STEP 1: Go to the FIRMS website at <https://firms.rbi.org.in>

STEP 2: Enter User Name and default password as provided via email notification. Enter captcha and click submit. Please do not copy paste the password, instead type the same. If the wrong password is provided, the account will be locked after three failed attempts.



STEP 3: Upon first Login, BU would be prompted to change the password through a pop-up window. Enter the details and submit. Upon success, Message “Password changed successfully” would appear on the Login Box.

STEP 4: Enter user name, new password and captcha in the Login Box and click submit. The user would be taken to his/ her workspace.

Upon subsequent logins, the BU may enter username, password and captcha in the Login box and click submit. The user would be taken to his/ her workspace.

USING FORGOT PASSWORD:

In case the user forgets his /her password, the following steps shall be followed.

STEP 1: Click on forgot password provided in the Login Screen.

STEP 2: Enter the username and registered email id in the pop-up window and click submit.

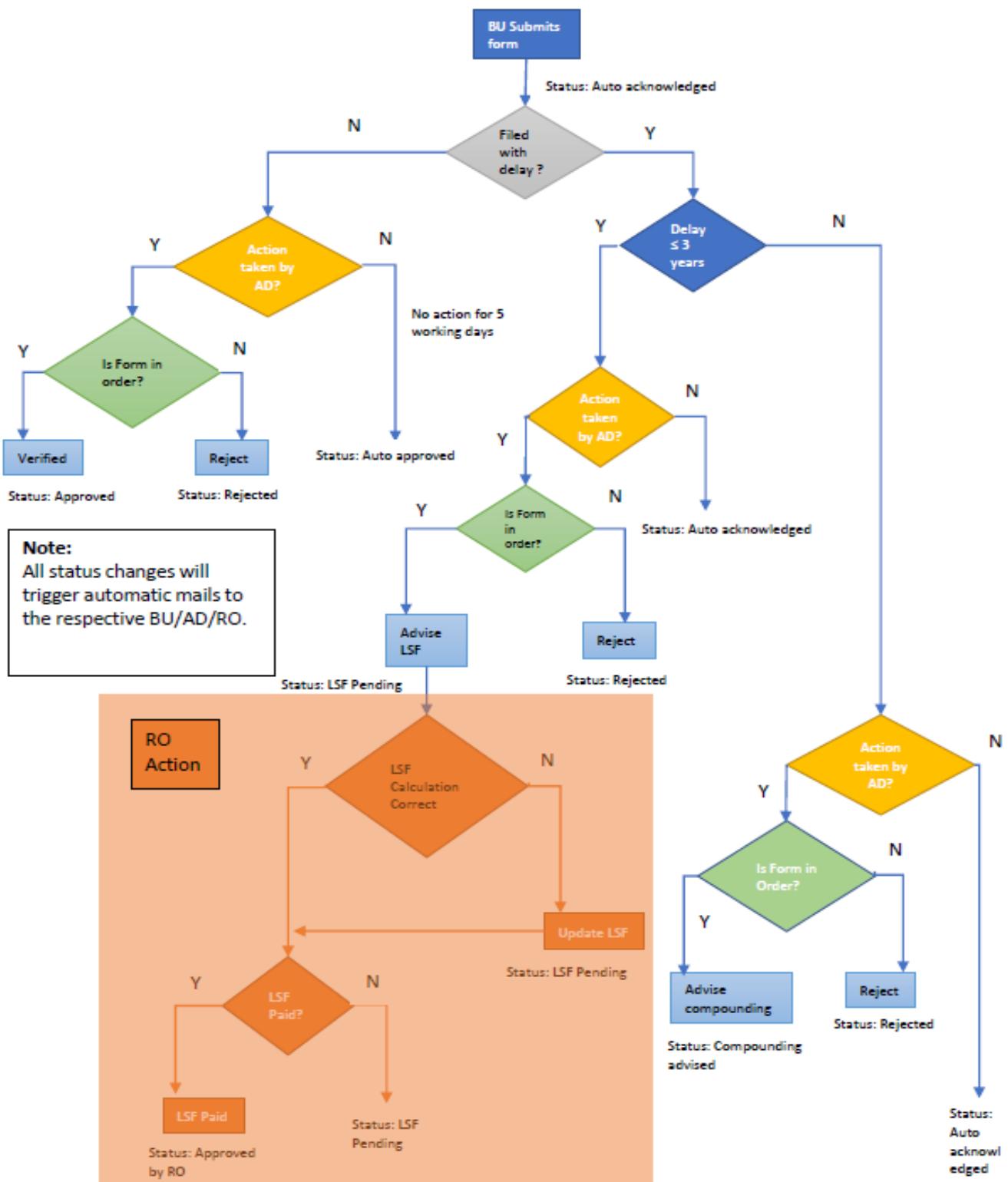
An email would be sent to the email id with the default password. The user shall check its registered email id for the new default password and follow the steps under the head “Logging into SMF” for logging into SMF.

PROCESSING AND SUBMISSION OF SINGLE MASTER FORM (SMF)

1. WORKFLOW:

Legend:

- (i) BU – Business User (Authorized person for filing Forms)
- (ii) FIRMSBU – portal for AD/RBI users can be accessed via “fed.rbi.org.in”
- (iii) FIRMS – portal for filing forms by BU can be accessed over internet via <https://firms.rbi.org.in>



2. DESCRIPTION OF THE PROCESSING OF FORMS IN FIRMS:

All forms submitted with the requisite documents within the prescribed timelines will be “Auto-Acknowledged” on the FIRMS portal with a time stamp and an auto-generated email acknowledgement will be sent to the applicant based on the submission.

(A) FOR FORMS SUBMITTED WITHIN THE PRESCRIBED TIMELINES:

- (i)** The onus of ensuring the correctness of the information submitted in the portal lies with the applicants as hitherto.
- (ii)** Post acknowledgement, the forms will be verified by the AD banks based on the uploaded mandatory documents and ensure that the same are in compliance with the extant guidelines.
- (iii)** The AD-Bank will have **five** working days to verify these Forms, pursuant to which the status of the Form will change from **Auto-acknowledged** to **Approved**.

(B) FOR FORMS SUBMITTED WITH A DELAY:

- (i)** The system would identify the reporting delay as the difference between the date of reporting and the due date of reporting.
- (ii)** Forms submitted with delay will also be “Auto-Acknowledged” on the FIRMS portal.
- (iii)** The system will forward such forms to the AD banks for verification as explained above.
- (iv)** The AD Bank will have two options while approving the same -
 1. Where the delay is less than/equal to three years, ADs can either ‘Advise LSF’ or ‘Reject’
 2. Where the delay is greater than three years, ADs can either ‘Advise Compounding’ or ‘Reject’.
- (v)** **For forms approved subject to Compounding** - a system generated acknowledgement will be sent to the applicant and the concerned Regional Office (RO) of RBI and it can also be viewed on the FIRMS portal. The applicant may thereafter approach RBI with their application for compounding.

(vi) For forms approved subject to payment of LSF-

- **Online calculation of Late Submission Fee (LSF):** The LSF will be computed by the system and when the AD bank approves the form subject to payment of LSF, an email to that effect will be sent to the applicant and the concerned Regional Office (RO) of RBI specifying the amount of LSF and the timeline within which it is to be paid to the concerned RO of RBI.
- Once the LSF amount is realised, the concerned RO will update the status in the FIRMS portal and the updated status will be communicated to the applicant through a system generated e-mail which can also be viewed in the FIRMS portal.
- Business User's (BUs) have the option to pay LSF either through Demand Draft (DD), NEFT or RTGS.
- In case Business User opts to pay LSF through NEFT/RTGS, the amount has to be paid only in the account of the concerned Regional Office of RBI. **The payment should be completed by 1:00 PM.**
- Thereafter, the BU shall provide details of the payment through email to the concerned Regional Office of RBI in the format as given in Annexure-XII of this manual. The aforesaid email should be sent keeping the auto-generated LSF advice email received from FIRMS in trail. **Please note that this email has to be sent within two hours of making the LSF payment.**
- Payments done after 1:00 PM or mails sent after the prescribed time of two hours would be considered null and void. Thus, the LSF amount paid by the applicant would be refunded.
- The account details of RBI's Regional Offices along with their email id's is provided in the table below.

Sr. No.	RBI's Regional Office	Account No.	IFSC Code	Email Id
1.	Ahmedabad	186003001	RBIS0AHPA01	fedahmedabad@rbi.org.in
2.	Andhra Pradesh	186003001	RBIS0APPA01	fedapro@rbi.org.in
3.	Bengaluru	8024133	RBIS0BGPA01	fdbangalore@rbi.org.in
4.	Bhopal	186003001	RBIS0BLPA01	fdbhopal@rbi.org.in
5.	Bhubaneswar	186003001	RBIS0BBPA01	fdbhubaneswar@rbi.org.in
6.	Chandigarh	186003001	RBIS0CGPA01	fedchandigarh@rbi.org.in
7.	Chennai	186003001	RBIS0CNPA01	fedchennai@rbi.org.in
8.	Guwahati	186003001	RBIS0GWPA01	fedguwahati@rbi.org.in
9.	Hyderabad	186003001	RBIS0NEFTHY	fedhyderabad@rbi.org.in

10.	Jaipur	186003001	RBIS0JPPA01	fedjaipur@rbi.org.in
11.	Jammu	8714295	RBIS0JMPA01	fedjammu@rbi.org.in
12.	Kanpur	186003001	RBIS0KNPA01	fedkanpur@rbi.org.in
13.	Kochi	186003001	RBIS0KCPA01	fedrbikochi@rbi.org.in
14.	Kolkata	186003001	RBIS0KLPA01	fedkolkata@rbi.org.in
15.	Mumbai	04802413301	RBIS0MBPA04	fedmro@rbi.org.in
16.	New Delhi	186003001	RBIS0NDPA01	fednewdelhi@rbi.org.in
17.	Panaji	186003001	RBIS0PJPA01	fedpanaji@rbi.org.in
18.	Patna	186003001	RBIS0PTPA01	fedpatna@rbi.org.in

(C) FOR FORMS SUBMITTED WITH DISCREPANCY:

- (i)** In case of any discrepancy, the AD shall reject the Form and the status of the form will change to **Rejected**.
- (ii)** If the form is Rejected, the rejected status and the remarks of the AD Bank will be communicated to the applicant through a system generated email and the same can also be viewed on the FIRMS portal.

3. GUIDANCE ON FORM SUBMISSION:

FC-GPR

STEP 1: Login into SMF and reach your workspace.

The screenshot shows the SMF Dashboard with the following sections:

- Approved Forms:**

FCGPR FORM	1	FCTRS Form	0
LLP1 Form	0	LLP2 Form	0
Cn Form	0	ESOP Form	0
DRR Form	0	DI Form	0
INVI Form	0		
- Rejected Forms:**

FCGPR FORM	0	FCTRS Form	0
LLP1 Form	0	LLP2 Form	0
Cn Form	0	ESOP Form	0
DRR Form	0	DI Form	0
INVI Form	0		
- Pending Approval Forms:**

FCGPR FORM	12	FCTRS Form	3
LLP1 Form	0	LLP2 Form	0
Cn Form	0	ESOP Form	0

At the bottom, there is a footer note: © 2018 | Powered by : HTC Global Services Pvt. Ltd. | www.htcinc.com. | Version 1.0 | FIRMS Application Helpdesk (Monday to Friday 10:30 am to 6:00 pm) | Email- helpfirms@rbi.org.in

Click on the left navigation button and select Single Master Form.

The screenshot shows the SMF Dashboard with the following sections:

- Approved Forms:**

FCGPR FORM	1	FCTRS Form	0
LLP1 Form	0	LLP2 Form	0
Cn Form	0	ESOP Form	0
DRR Form	0	DI Form	0
INVI Form	0		
- Rejected Forms:**

FCGPR FORM	0	FCTRS Form	0
LLP1 Form	0	LLP2 Form	0
Cn Form	0	ESOP Form	0
DRR Form	0	DI Form	0
INVI Form	0		
- Pending Approval Forms:**

FCGPR FORM	12	FCTRS Form	3
LLP1 Form	0	LLP2 Form	0
Cn Form	0	ESOP Form	0

The left sidebar shows the 'SINGLE MASTER FORM' menu option selected. At the bottom, there is a footer note: © 2018 | Powered by : HTC Global Services Pvt. Ltd. | www.htcinc.com. | Version 1.0 | FIRMS Application Helpdesk (Monday to Friday 10:30 am to 6:00 pm) | Email- helpfirms@rbi.org.in

STEP 2: Click on drop down menu “Return Type”. Select “Form FC-GPR” and click on Add new return. The user will be taken to form FC-GPR.

Field Name	Description
CIN	Pre-filled, non-editable as per the BU registration details
Company name	Pre-filled, non-editable as per the BU registration details
PAN number	Pre-filled, non-editable as per the BU registration details
LEI Number	Pre-filled, non-editable as per the BU registration details
Application date	Pre-filled, non-editable, system date
Entry Route*	Select Automatic or Government as applicable for the investment being reported. In case the Government route is selected, attach the requisite Government approvals. <u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route. If the investment being reported is under 74%. The entry route selected shall be automatic and in case the investment being reported would result into foreign investment beyond 74%, the entry route selected shall be government with relevant government approvals attached.
Applicable Sectoral cap/ Statutory ceiling*	Applicable sectoral cap as per extant FEMA notification, as amended from time to time. <u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is

	under automatic route and beyond up to 100% under Government route, the applicable sectoral cap would be 100%.								
Whether the foreign investment received is for a specific project/manufacturing unit/plant?	<p>Select Yes or No as applicable.</p> <p>If yes is selected, fill up the details as below:</p> <table border="1"> <tr> <td>PIN Code</td> <td>Enter the PIN code and click on arrow. If the PIN code is not available, enter the nearby PIN code</td> </tr> <tr> <td>State</td> <td>Pre-filled as per PIN code (editable)</td> </tr> <tr> <td>City/District</td> <td>Enter the city/district (editable)</td> </tr> <tr> <td>Brownfield/Greenfield</td> <td>Enter brownfield or greenfield as applicable for the investment.</td> </tr> </table>	PIN Code	Enter the PIN code and click on arrow. If the PIN code is not available, enter the nearby PIN code	State	Pre-filled as per PIN code (editable)	City/District	Enter the city/district (editable)	Brownfield/Greenfield	Enter brownfield or greenfield as applicable for the investment.
PIN Code	Enter the PIN code and click on arrow. If the PIN code is not available, enter the nearby PIN code								
State	Pre-filled as per PIN code (editable)								
City/District	Enter the city/district (editable)								
Brownfield/Greenfield	Enter brownfield or greenfield as applicable for the investment.								

The complete form is arranged into two parts, Common Investment details and “Form FC-GPR” which is further arranged into 5 tabs.

(Common Investment details: These details are common to all returns that can be reported in SMF.)

STEP 3: Fill up the common investment details as below:

Corporate Identification Number (CIN/LP)* ABCDEFHJKLMNOPORT11

PAN Number* QWERT7890Y

Company Name* ABC & DEF PVT LTD

Application Date* 21/08/2018

Details of received FDI-Entry Route and Applicable Sectoral Cap:

Entry Route Automatic Route Government Route

Applicable Sectoral cap/ Statutory ceiling* 20% 26% 49% 51% 74% 100% Others

Whether the FDI is received for a particular project?* Yes No

FC-GPR Form

Issue Details Foreign Investors Details Amount of Issue Particulars of Issue Share Holding Pattern

Date Of Issue* Initial FC GPR Reference Number (In case of Subsequent Filing)

Nature Of Issue* -Select-

STEP 4: Fill up the details in form FC-GPR as below:

STEP 4.1: Tab 1: Issue details

Applicable Sectoral cap/ Statutory ceiling* 20% 26% 49% 51% 74% 100% Others

Whether the foreign investment is received for a specific project/manufacturing unit or manufacturing plant?* Yes No

FC-GPR Form

Issue Details Foreign Investors Details Amount of Issue Particulars of Issue Share Holding Pattern

Date Of Issue* Nature Of Issue* Initial FC GPR Reference Number (In Case of Subsequent Filing)

-Select-

Whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern* NO YES

Field name	Description
Date of issue	The date on which the Equity instruments have been allotted to persons resident outside India pertaining to instant reporting.
Nature of Issue	<p>The nature under which the Equity instruments have been issued, which can be one of the following:</p> <ul style="list-style-type: none"> 1. Preferential allotment/ Private placement/ Private arrangement 2. Rights 3. Bonus 4. Merger/ demerger /Amalgamationalong with attachment of relevant approvals from the competent authority. This also includes cross border mergers which requires filing of FC-GPR as per extant provisions under FEMA. 5. Subscription to Memorandum of Association (MoA). Attach the relevant extracts as “other attachments” 6. Conversion of Convertible notes.....along with the reference number/identification number for the form CN filed for the issuance of Convertible notes. Where the CN form is filed through physical filing, the same may be mentioned in the reference number/identification number field with the copy of acknowledgement letter/ application made as “other attachments” of the form in tab 5. If the form CN has not been filed by the applicant for the issuance of Convertible notes, the same may be declared as a separate attachment within “other attachments” of the form in tab 5 7. Capital Instruments issued under Schedule 7 of FEMA 20(R) to FVCIs 8. Shares issued upon exercise of ESOPs...along with the reference number/identification number for the form ESOP filed for the issuance of ESOPs. Where the form ESOP is filed through physical filing, the same may be mentioned in the reference number/identification number field as “filed physically” with the copy of acknowledgement letter/ application made as “other attachments” of the form in tab 5. If the form ESOP has

	<p>not been filed by the applicant for the issuance of ESOPs, the same may be declared as a separate attachment within “other attachments” of the form in tab 5.</p> <p>9. Issue of sweat equity shares</p> <p>10.Issue of participating interest /rights in oil fields</p> <p>11.Others (please specify)</p>
Initial FC-GPR reference number (In case of subsequent filing)	Non-mandatory. This field is applicable where the Equity instruments issued are either partly paid up or share warrants where Form FC-GPR is filed multiple times for one allotment, as and when the remittance is received. Enter the reference number, if any, which could be Ebiz application number or the acknowledgement number for the previously filed FC-GPR for that particular allotment. Please give the details of the allotment and payment schedule as another attachment in the “other attachment” of the form in tab 5.
Whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern*	<p>Select Yes or No</p> <p>In case Yes is selected, then there will not be any change in the shareholding pattern for this transaction being reported.</p> <p>In case No is selected, then changes are reflected in the shareholding pattern for this transaction being reported accordingly. A data entry field “Paid up capital” would be populated. Enter the post transaction paid up capital. This field would be utilized for calculating the post transaction foreign shareholding.</p> <p>For understanding refer to chapter on Shareholding pattern.</p>

STEP 4.2: Tab 2: Foreign investors details

The screenshot shows the 'RBI FDI' application interface. The top navigation bar includes 'File', 'Edit', 'View', 'History', 'Bookmarks', 'Tools', and 'Help'. The main content area has tabs for 'Reserve Bank of India - Frequently' and 'Search File Return'. The URL in the address bar is 10.28.2.180:7785/smffaces/pages/FileReturn/searchReturn.xhtml?menuRedirect=Y. On the right, there's a sidebar with 'Most Visited' links like 'Getting Started', 'firms', 'UAT SMF', 'UAT SMFBU', and 'Reserve Bank of India ...'. The main content area features the Reserve Bank of India logo and a blue header bar with 'Home', 'Change Password', 'Logout', 'Welcome', and 'nlate'. Below this, a form is displayed with a 'Number of investors*' field containing '0'. A section titled 'Details of the foreign investor / collaborator (Details of foreign residence to be given. Indian address if any should not be given)' contains fields for 'Name*', 'Address*', 'Town/City', 'State', 'Pincode / Zipcode', and 'Country Of Residence*'. A button '+ Add Investor' is located at the top right of this section. The bottom of the screen shows a Windows taskbar with various pinned icons and system status.

This screenshot shows the continuation of the 'RBI FDI' application. The top navigation and sidebar are identical to the previous screenshot. The main content area now displays a section titled 'Particulars Of Issue/Allotment to Each Investor'. It includes a sub-section 'Particulars of issue (Capital instrument as issued to that foreign investor)'. This section contains fields for 'Type Of Capital Instrument*', 'Number of Instruments', 'Conversion Ratio (Number of equity shares per CCPS/CCDs)*', 'Number of Equity Shares on fully diluted basis*', 'Face Value*', 'Premium*', 'Issue Price per instrument*', and 'Amount Of Consideration*'. A button '+ Add Issue Particular' is located at the bottom right. Below this, a table provides a summary of the issued instruments. The table has columns for 'Type Of Capital Instrument', 'Number of Instruments', 'Conversion Ratio/Applicable in case of CCPS/CCD/Share Warrants', 'Number of Equity Shares on fully diluted basis', 'Face Value', 'Premium', 'Issue Price per instrument', 'Amount of Consideration', and 'Edit/Update'. A note 'No records found.' is visible at the bottom of the table. The bottom of the screen shows a Windows taskbar with various pinned icons and system status.

File Edit View History Bookmarks Tools Help

RBI FDI Reserve Bank of India - Frequently Search File Return RBI FDI Pahadekar, Monika - Outlook

10.28.2.180:7785/smifaces/pages/FileReturn/searchReturn.xhtml?menuRedirect=Y 80% ...

Most Visited Getting Started firms UAT SMF UAT SMFBU Reserve Bank of India ...

Home | Change Password | Logout
Welcome nitata

राष्ट्रीय रिजर्व बँक
Reserve Bank of India
India's Central Bank

Remittance Details

Name of the AD Bank through whom remittance is received
Address of the AD Bank

Town/City Pin Code State
---Select---

Mode of Payment *
Select

Whether the remitter is different from the foreign investor *
Yes No

Investment Details

Total Amount of Inflow (Rs) Total Amount for which Capital Instruments has been issued (Rs)

Details of the foreign investor

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Field name	Description												
Number of investors	Enter the number of foreign investors to whom the Equity instruments have been allotted in the issue being reported. Only that number of foreign investors can be entered in the form. (At present maximum of 999 investor details can be added in the form) For example, if the number of investors entered is 3, details of only 3 foreign investors can be added. In case the number of investors entered is incorrect, please change the number in this field and then proceed ahead. Else the system will throw an error.												
General details	<table border="1"> <tr> <td>Name:</td> <td>Name of the foreign investor (Ensure that the name is same as in the FIRC or KYC).</td> </tr> <tr> <td>Address</td> <td>Address of the foreign investor</td> </tr> <tr> <td>Town/City</td> <td>Town/City of the foreign investor</td> </tr> <tr> <td>State</td> <td>State of the foreign investor</td> </tr> <tr> <td>PIN code/Zip Code</td> <td>Pin Code /Zip Code of the foreign investor</td> </tr> <tr> <td>Country of residence</td> <td>Country of residence of the foreign investor. In case the investor belongs to Pakistan/Bangladesh or any land border sharing country as per Press Note 3, 2020 series Government Approval shall</td> </tr> </table>	Name:	Name of the foreign investor (Ensure that the name is same as in the FIRC or KYC).	Address	Address of the foreign investor	Town/City	Town/City of the foreign investor	State	State of the foreign investor	PIN code/Zip Code	Pin Code /Zip Code of the foreign investor	Country of residence	Country of residence of the foreign investor. In case the investor belongs to Pakistan/Bangladesh or any land border sharing country as per Press Note 3, 2020 series Government Approval shall
Name:	Name of the foreign investor (Ensure that the name is same as in the FIRC or KYC).												
Address	Address of the foreign investor												
Town/City	Town/City of the foreign investor												
State	State of the foreign investor												
PIN code/Zip Code	Pin Code /Zip Code of the foreign investor												
Country of residence	Country of residence of the foreign investor. In case the investor belongs to Pakistan/Bangladesh or any land border sharing country as per Press Note 3, 2020 series Government Approval shall												

			be attached in the attachment "Government Approval" of the common details page.
		Constitution/nature of the investing entity (Specify whether)	Select Constitution/nature of the foreign investor as applicable from the drop-down menu.
Particulars Issue/Allotment to Each Investor		Type of Capital instrument	Select the type of capital instrument issued to the foreign investor from the drop-down menu.
		Number of instruments	Enter the number of instruments issued. For participating interest/rights in oil fields enter the value as 1 (one).
		Conversion ratio	In case of Equity shares, partly paid-up shares, shares issued against convertible notes and, participating interest/rights in oil fields this is auto-populated as 1:1. For CCDs /CCPs/ share warrants enter the pre-fixed upfront conversion ratio. (In case there is no upfront conversion ratio enter the ratio as per the maximum permissible conversion of CCDs/CCPs/share warrants into equity shares in compliance to the pricing guidelines)
		Number of Equity shares on fully diluted basis	Auto-calculated as per the conversion ratio and number of instruments.
		Face value	Enter the face value of the equivalent equity shares. In case of CCDs/CCPs /share warrants do NOT enter the face value of CCDs/CCPs/share warrants as it will not give the correct shareholding pattern. For participating interest/rights in oil fields enter the value as 0 (one).
		Premium	Enter the value of premium, if any, else enter 0 (Zero).
		Issue Price per instrument	Enter the Issue price per instrument.

		For participating interest/rights in oil fields enter the total value of the participating interest/rights in oil fields
	Amount of Consideration	Auto calculated as Issue Price per instrument multiplied with number of instruments.
<p>After entering all details click on “Add issue particular” and check whether the details are reflected in the adjoining table and verify the same. In case any of the details entered needs to be modified click on the edit icon under “Edit/Update” head of the table. This would populate the details in the respective fields. Modify and then click on “Save” button, this will save the details in the table again.</p> <p>If the details need to be deleted entirely, click on the delete icon.</p> <p>Further, in case the investor has been allotted more than one capital instrument in the same allotment, add the details using the above procedure. Multiple details would be added as different rows in the adjoining table.</p> <p>In case the investor has been issued equity shares of different face value, for example, 100 equity shares of face value 10 and 50 equity shares of face value 20, then enter the details as two different rows and NOT a single record.</p> <p>This would ensure correct shareholding pattern</p>		

Mode of Payment	Name of the AD bank through whom remittance has been received	Enter the name of the AD Bank
	Address of the AD bank	Enter the address of the AD bank
	Town/City	Enter the Town/City of the AD bank
	Pin code	Enter the PIN code of the AD bank
	State	Enter the State or Union territory of the AD bank
	Mode of payment	Select the mode of payment from the drop-down menu. @
	Whether the remitter is different from the foreign investor	<p>Please select "NO" if the remitter is same as the foreign investor to whom the Equity instruments have been allotment.</p> <p>In case the two are different (third party payment, if permissible), Please select "YES" enter the details viz., Name of the Remitter, Country of remitter, relationship between Remitter and foreign investor and attach the requisite documents.</p>

@ Details of the menu options of Mode of payment drop down. Menu options are as follows:

Menu options	Description
Inward remittance from abroad through banking channel	Fields to be entered: "Date of Remittance", "Amount in Rs", "FIRC number" Attachments: FIRC and KYC of the foreign investor
NRE/FCNR	Fields to be entered: "Date of debit", "Amount in Rs" Attachments: Debit statement
Escrow A/c	Fields to be entered: "Date of debit", "Amount in Rs" "FIRC number" (if any) Attachments: Debit statement
Swap	Fields to be entered:

	<p>“Value of Capital instruments in Rs”- Enter the value of capital instruments that are being swapped for the allotment of the instant capital instruments in this allotment.</p> <p>Attachments: “Valuation certificate”: Attach the valuation certificate for the value of capital instrument as entered in the above field</p>
Issue of shares against fund payables to its foreign investor	<p>Fields to be entered: “Value of fund payables in Rs”- Enter the value of fund payables for the allotment of the instant capital instruments in this allotment.</p> <p>“Description”-Enter the description such as “conversion of ECB” or “import payables” etc. as applicable</p> <p>Attachments: “Relevant documents from RBI/GOI and related documents”: Attach the related Government approvals or RBI approvals and any other related documents as applicable</p>
Others	<p>Select in case of any other mode of payment.</p> <p>Fields to be entered: Remarks</p> <p>Optional fields: “Date of Remittance”, “Amount in Rs” “FIRC number”</p> <p>Attachments: related documents, if any, as per the mode of payment and to be attached at the “other attachments” at tab 5 in the form.</p>
Multiple mode of payment	Select this option if the total payment has been made through more than one mode or through one mode but multiple tranches. For example, if the allotment is of Rs 10 crores and the investor, let's say is an NRI, has paid the same as, Rs 5 crore through

		<p>inward remittance and Rs 5 crore as NRE/FCNR.</p> <p>Fields to be entered:</p> <p>“Date of Remittance”, -earliest date of date of remittances</p> <p>“Amount in Rs”-Total amount through all modes of payment.</p> <p>“Multimode Payment details”-Specify the individual mode of payment and amount received through that.</p> <p>Attachments: “Relevant documents from RBI/GOI and related documents”: Attach the related Government approvals or RBI approvals, if any and any other related documents as applicable for the mode of payment as specified for the individual mode of payment.</p>
--	--	--

	<p>For allotments which does not involve any remittances, such as bonus issue, merger/demerger etc., select the mode of payment as “others (please specify)”. A new field will pop-up as “others”. Enter the details of the transaction in this field.</p> <p>“Date of remittance” and “Amount of remittance” may be kept blank or enter 0 (zero). Leave the FIRC number blank.</p>
--	--

Investment details	Total amount of Inflow (in Rs)	Auto populated from mode of payment details (Amount in Rs)	
	Amount for which capital instruments have been issued	Auto-populated from "Particulars of issue/ details of individual investor" details. (Amount of Consideration)	
Note: If the Total amount of inflow is in excess in comparison to Amount for which Equity instruments have been issued, then specify the details as per the validation note as below:			
<p>Please specify and give as other attachment, whether the excess amount:</p> <ol style="list-style-type: none"> 1. has already been utilized for previous allotment, if so, reference number be provided 2. will be utilized for subsequent allotment 3. has been refunded, if so, refund details shall be provided 4. Will be refunded, if so, please be guided by proviso to para 2(3) of schedule 1 of FEMA 20 (R). <p>Attachments to be provided in the attachment "other attachments" in the tab 5 of the form.</p>			
ADD Investor	<p>Upon filling all above details, click on the "ADD investor" check whether the details are reflected in the adjoining table (at the bottom) and verify the same. In case any of the details entered needs to be modified click on the edit icon under "Edit/Update" head of the table. This would populate the details in the respective fields. Modify and then click on "Save" button, this will save the details in the table again.</p> <p>Repeat the process in case of multiple investors.</p>		

Tip: Please select the "Nature of issue" in tab 1, before entering the investor details. The investor details are erased in case "nature of issue" is selected after entering the details.

STEP 4.3 - Tab 3 - Amount of Issue

Applicable Sectoral cap/ Statutory ceiling* 20% 26% 49% 51% 74% 100% Others

Whether the FDI is received for a particular project?* Yes No

FC-GPR Form

[Issue Details](#) [Foreign Investors Details](#) [Amount of Issue](#) [Particulars of Issue](#) [Share Holding Pattern](#)

Amount of Issue

Total Amount of Inflow*
Total amount for which capital instruments have been issued*

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Field name	Description
Total amount of inflow	Auto populated from tab 2 for all foreign investors
Total amount for which capital instruments have been issued	Auto populated from tab 2 for all foreign investors

STEP 4.4 - Tab 4 - Particulars of Issue

Issue Details Foreign Investors Details Amount of Issue [Particulars of Issue](#) Share Holding Pattern

Consolidated Particulars of Issue

Type Of Capital Instrument	Number of Instruments	Conversion Ratio/Applicable in case of CCPS/CCD/Share Warrants)	Number of Equity Shares on fully diluted basis	Face Value	Premium	Issue Price per instrument	Amount of Consideration
No records found.							

(1 of 1) Choose

Fair Value of the shares(Rs): Valuation Certificate Choose

I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration, CS certificate and other relevant attachment(s) for this reporting. *

Yes No

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Field name	Description
Consolidated Particulars of Issue	Auto-populated table for the consolidated particulars of issue (from tab 2), for all foreign investors

Fair value of the Shares (in Rs)	Fair value of the shares as per the valuation certificate issued by the person authorized as per FEM(NDI) Rules, 2019 along with the attachment at "Valuation Certificate". Mandatory where nature of issues is "Preferential Allotment/Private Placement/Private arrangement" and "Conversion of Convertible Notes".
Declaration	<p><i>"I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration, CS certificate and other relevant attachment(s) for this reporting." *</i></p> <p>Please select "Yes" upon completing all details in the form. Attach the Declaration and CS certificate as well as other relevant documents in the attachment "CS certificate/other attachments".</p>

STEP 4.5 - Tab 5 - Shareholding Pattern

The screenshot shows the 'File Return' search results page of the RBI Firms Application Helpdesk. The user is on the 'Search File Return' tab. The main content area displays the 'FC-GPR Form' for a project located in Pincode 110001, State Andhra Pradesh, District East, and City West Godavari. The 'Share Holding Pattern' tab is selected. A table provides the following data:

Particulars	Pre-Transaction	Post-Transaction
Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares	11000	
Foreign Portfolio Investment		
Indirect foreign investment- Value of equity shares (on fully diluted basis)	0	
Total	1250.00	
Percentage	1.25	

At the bottom, the footer includes copyright information, supported browsers, and system status.

Field name	Description		
Shareholding pattern	Particulars	Pre-Transaction	Post-Transaction
	Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares		
	Foreign Portfolio Investment		
	Indirect foreign investment- Value of equity shares (on fully diluted basis)		
	Total		
	Percentage		
<p>Pre transaction values are auto populated from the Entity Master (tab 3)</p> <p>Post transaction values are auto calculated based upon the details provided in the form. Post transaction=Pre transaction value of shares + Value of shares reported in the form.</p> <p>The Business-user shall ensure that the details are correctly filled in the form, so that the shareholding pattern which is auto-calculated is correct. For any incorrect details the Business user would be liable for the same.</p>			

STEP 4.6: After filling in all details, click on “Save and Submit” for submitting the form.

- “Save as draft” feature: The Business User can also save the draft and submit later, by filling in all mandatory details in the “Common details” page.
- “Reset” feature: This will reset the complete form.
- “Back” button: To go back to the Dashboard

NOTE: For the list of documents to be attached along with Form FCGPR, refer to Annex - III

FC-TRS

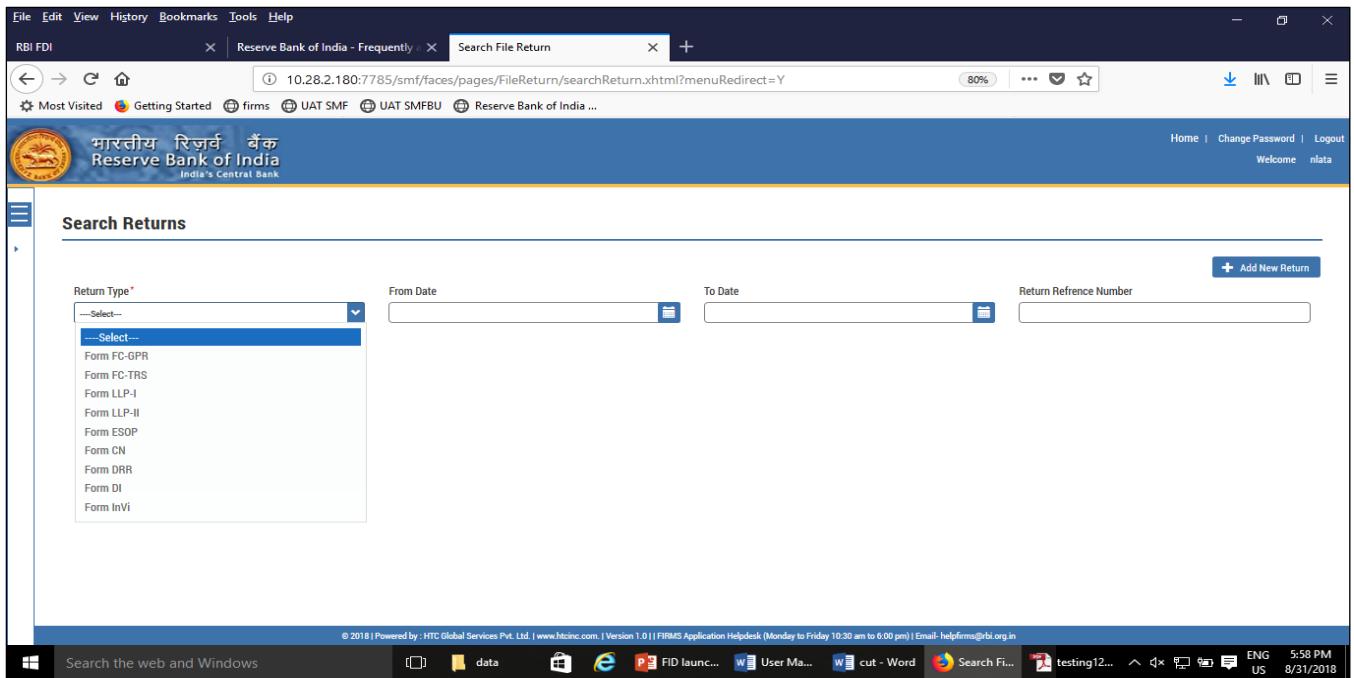
STEP 1: Login into SMF and reach your workspace.

The screenshot shows the Reserve Bank of India's Firms Application Dashboard. The top navigation bar includes links for Home, Change Password, Logout, Welcome, and nlate. The dashboard features three main sections: 'Approved Forms' (with counts for FCGR, LLP1, Cn Form, DRR, and INV1), 'Rejected Forms' (with counts for FCGR, LLP1, Cn Form, DRR, and INV1), and 'Pending Approval Forms' (with counts for FCGR, LLP1, Cn Form, and ESOP). The bottom status bar indicates the date as 8/31/2018 and the time as 5:55 PM.

Click on the left navigation button and select Single Master Form.

This screenshot is similar to the previous one, but it shows the 'FILE RETURN' menu expanded on the left side. Within the 'FILE RETURN' menu, the 'SINGLE MASTER FORM' option is highlighted. The rest of the dashboard and its components (Approved Forms, Rejected Forms, Pending Approval Forms) are visible.

STEP 2: Click on drop down menu “Return Type”. Select “Form FC-TRS” and click on Add new return. The user will be taken to form FC-TRS.



The screenshot shows a web browser window for the Reserve Bank of India's Firms application. The title bar reads "RBI FDI" and "Reserve Bank of India - Frequently". The address bar shows the URL "10.28.2.180:7785/smffaces/pages/FileReturn/searchReturn.xhtml?menuRedirect=Y". The main content area is titled "Search Returns". It features a "Return Type" dropdown menu with the following options listed:

- Select—
- Select---
- Form FC-GPR
- Form FC-TRS
- Form LLP-I
- Form LLP-II
- Form ESOP
- Form CN
- Form DRR
- Form DI
- Form InVi

Below the dropdown are fields for "From Date" and "To Date". To the right is a "Return Reference Number" input field and a "Add New Return" button. The bottom of the screen shows a taskbar with various icons and the date/time "8/31/2018 5:58 PM".

The complete form is arranged into two parts, Common Investment details and “Form FC-TRS” which is further arranged into 3/4 tabs.

(Common Investment details: These details are common to all returns that can be reported in SMF.)

STEP 3: Fill up the common investment details as below:

Field Name	Description
CIN	Pre-filled, non-editable as per the BU registration details
Company name	Pre-filled, non-editable as per the BU registration details
PAN number	Pre-filled, non-editable as per the BU registration details
Application date	Pre-filled, non-editable, system date
LEI Number	Pre-filled, non-editable as per the BU registration details
Entry Route*	Select Automatic or Government as applicable for the investment being reported. In case the Government route is selected attach the requisite Government approvals. <u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route. If the investment being reported is under 74%. The entry route selected shall be automatic and in case the investment being reported would result into foreign investment beyond 74%, the entry route selected shall be government with relevant government approvals attached.
Applicable Sectoral cap/Statutory ceiling*	Applicable sectoral cap as per extant FEMA notification, as amended from time to time.

	Clarification: where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route, the applicable sectoral cap would be 100%.
Whether the foreign investment received is for a specific project/manufacturing unit/ plant?	Select Yes or No as applicable. If yes is selected, fill up the details as below:

PIN Code	Enter the PIN code and click on arrow
State	Pre-filled as per PIN code
City/District	Enter the city/district
Brownfield/Greenfield	Enter brownfield or greenfield as applicable for the investment.

Step 4: Fill up the details in form FC-TRS as below:

STEP 4.1 - Tab 1 - Common details

The screenshot shows the 'FC-TRS Form' interface. At the top, there are sections for 'Entry Route' (Automatic Route selected) and 'Applicable Sectoral cap / Statutory ceiling' (74% selected). Below this, a question asks if the FDI is received for a particular project, with 'Yes' selected. The main form area is titled 'Common Details' and contains fields for 'Transfer by way of' (Sale selected), 'Transfer Type' (Subsequent selected), 'Date of Transfer', 'Address', 'Status' (Resident selected), and 'Constitution / Nature'. There are also dropdown menus for 'Country' and 'Nature of Transfer'. A note at the bottom states: 'In case the acquisition by the NR seller is through issue of capital instruments acknowledgement of FC-GPR may be attached. In case the acquisition by the NR seller is through transfer of capital instruments acknowledgement of FC-TRS may be attached. In case of gift relevant RBB approval, if any, may be attached.'

Field name	Description
Transfer by way of	Select sale or Gift as the case may be
Whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern*	<p>Select Yes or No In case Yes is selected, then there will not be any change in the shareholding pattern for this transaction being reported. In case No is selected, then changes are reflected in the shareholding pattern for this transaction being reported accordingly. For explanation refer to the chapter under head “Shareholding Pattern”</p>
Transfer from	<p>Select from the following options as applicable:</p> <ul style="list-style-type: none"> • Resident to Non-resident (including NRI/OCI on repatriable basis). • Non-resident (including NRI/OCI on repatriable basis) to Resident (Also use this option for sale on stock exchange or offer for sale in an IPO). • NRI /OCI/eligible investor on non-repatriable basis to Non-resident (including NRI/OCI on repatriable basis). • Non-resident (including NRI/OCI on repatriable basis) to NRI/OCI/eligible investor on non-repatriable basis.
Transfer Type	<p>Select from the following options as applicable:</p> <ul style="list-style-type: none"> • Transfer as per Regulation 10(3) of FEMA 20(R)-Sale of capital instruments from a person resident outside India to a person resident in India • Transfer as per Regulation 10(4) of FEMA 20(R)-Sale of capital instruments from a person resident in India, including NRI/OCI or eligible investor under Schedule 4 to FEMA 20(R) to a person resident outside India • Transfer as per Regulation 10(5) of FEMA 20(R)-Gift of capital instruments from a person resident in India, including NRI/OCI or eligible investor under Schedule 4 to FEMA 20(R) to a person resident outside India • Transfer as per Regulation 10(12) of FEMA 20(R)-Invocation of pledge • Transfer of capital instruments as per Regulation 3 to FEMA 20(R)Others (please specify)
Date of Transfer	<p>Select the date of transfer from the calendar. (In case the date of transfer is after the date of filing of FC-TRS form i.e., future date, select the date as application date and provide the date of transfer as per the Transfer agreement as an attachment under “Other attachments”).</p>

Nature of Transfer	<p>Select from the following options as applicable:</p> <ul style="list-style-type: none"> • Offer for sale in an IPO/ FPO • Private arrangement • Swap of capital instruments • Sale on stock exchange other than those under Schedule 2 and Schedule 3 of FEMA 20(R) • Purchase on stock exchange other than those under schedule 2 and Schedule 3 of FEMA20(R) • Participating interests / rights in oil fields • Merger / Demerger / Amalgamation • Buy back • Invocation of pledge • Others (please specify) <p>NOT applicable for Transfer by way of Gift</p>
Buyer and Seller details for sale or Donee and Donor details for gift	Fill up the buyer and seller details for transfer by sale or Donee and Donor details for Transfer by Gift.

STEP 4.2 - Tab 2 - Particulars of Transfer

The screenshot shows the 'Particulars of Transfer' section of the RBI Firms application. It includes fields for selecting the type of capital instrument, entering the number of instruments, specifying conversion ratios, and defining face values and transfer prices. A table summarizes the transferred instruments, and additional fields allow for entering fair values and certificates.

Field Name	Description
Type of capital instrument	Select the type of Equity instrument as transferred from the drop-down menu. In case of gift, if the shares are transferred select as "Shares transferred as Gift", if not, then the Equity instrument as transferred.
Number of Instruments	Enter the number of instruments as transferred.
Conversion ratio	In case of Equity shares, partly paid-up shares, shares transferred as Gift, participating interest/rights in oil fields enter as 1:1. For CCDs /CCPs/ share warrants enter the pre-fixed upfront conversion ratio. (In case there is no upfront conversion ratio, enter the ratio as per the maximum permissible conversion of CCDs/CCPs/share warrants into equity shares in compliance to the pricing guidelines).
Number of equity shares on fully diluted basis	Auto-populated as per the conversion ratio and the number of instruments
Face value	Enter the face value of the equivalent equity shares. In case of CCDs/CCPs /share warrants do NOT enter the face value of CCDs/CCPs/share warrants as it will not give the correct shareholding pattern. For participating interest/rights in oil fields enter the value as 0 (zero).
Transfer price per instrument	Transfer price. For Gift, enter transfer price as 0(zero).

Total amount consideration	Auto calculated as Number of instruments multiplied by transfer price per instrument.
"ADD" button	<p>Click on the ADD button after entering above details and check that all details are reflected in the adjoining table. In case of multiple instruments being transferred repeat the above process.</p> <p>In case the entered details need to be modified, click on the Edit icon in the table. The details would be re-populated in the fields, modify accordingly and click on Save Button. Check for the details in the adjoining table.</p> <p>In case the details need to be deleted, click on the Delete icon in the table.</p>
Fair value of the capital instruments at the time of transfer	<p>Enter the fair value of the Equity instrument being transferred and attach the valuation certificate form the authorized person and Transfer agreement (relevant extracts) along with the consent letter of buyer and seller at "Valuation certificate."</p> <p>In case where multiple instruments are being transferred, enter the fair value of one instrument and attach a clarificatory letter along with the valuation certificates at the attachment "Valuation certificate"</p> <p>In case of Gift, the field may be kept blank.</p>

STEP 4.3 - Tab 3 - Remittance Details – Not applicable for Transfer by Gift

Field Name	Description						
Mode of payment	Select from the drop-down menu						
Name of AD bank	Click on the search icon. A pop-up window will open, select the AD bank facilitating the transfer.						
Address of the AD bank	Address is auto populated based on bank selection. In case the address is not correct, edit the details accordingly.						
Amount remitted/received in Rs	Amount in Rs as being received or remitted in this reporting						
Whether and Tranche number	<p>Select from the drop-down menu as below:</p> <p>(i) Payment on full consideration</p> <table border="1"> <tr> <td>Date of remittance</td><td>Enter the Date of Remittance. In case the remittance date is future date, it may be left blank.</td></tr> <tr> <td>Tranche number</td><td>Enter tranche number as 1</td></tr> <tr> <td>Is last tranche</td><td>Select Yes</td></tr> </table> <p>(ii) Payment on deferred basis:</p> <p>(a) In case it is first tranche payment</p>	Date of remittance	Enter the Date of Remittance. In case the remittance date is future date, it may be left blank.	Tranche number	Enter tranche number as 1	Is last tranche	Select Yes
Date of remittance	Enter the Date of Remittance. In case the remittance date is future date, it may be left blank.						
Tranche number	Enter tranche number as 1						
Is last tranche	Select Yes						

	Tranche number	Enter Tranche number as 1 (one)
	Amount in the tranche	Enter the Amount as received in the tranche
	Date of remittance	Enter the Date of Remittance. In case the remittance date is future date, it may be left blank. The date of remittance shall be mandatorily provided where the remittance has made before the filing of form FC-TRS.
	Is last tranche	Select YES or NO as applicable

(b) In case it is 2,3,4.... etc. tranche

	Tranche number	Enter Tranche number as 2,3...etc. as applicable
	Amount in previous tranche(s)	Enter the total amount as received in all earlier tranche(s).
	FC-TRS details	Enter the FC-TRS reference number along with the tranche amount reported in the FC-TRS
	Amount in the tranche	Enter the Amount as received in this tranche
	Date of remittance	Enter the Date of Remittance. In case the remittance date is future date, it may be left blank.
	Is last tranche	Select YES or NO as applicable

(iii) Indemnity Arrangement

In case it is first FC-TRS reporting

	Tranche number	Enter Tranche number as 1
	Amount indemnified /Amount being paid as indemnity	Enter the Amount indemnified in Rs
	Date of remittance	Enter the Date of Remittance. In case the remittance date is future date, it may be left blank. This date is the date on which the Amount is received for the transfer
	Is last tranche	Select NO

	<p>In case it is first FC-TRS reporting for reporting indemnity payment:</p> <table border="1"> <tr> <td>Tranche number</td> <td>Enter Tranche number as 2</td> </tr> <tr> <td>Amount in previous tranche(s)</td> <td>Enter the total amount as received in all previous tranches</td> </tr> <tr> <td>FC-TRS details</td> <td>Enter the FC-TRS reference number along with the tranche amount reported in the FC-TRS</td> </tr> <tr> <td>Amount Indemnified /Amount paid as Indemnified in Rs</td> <td>Enter the Amount being paid as indemnity</td> </tr> <tr> <td>Date of Remittance</td> <td>Enter the date of remittance.</td> </tr> <tr> <td>Is last tranche</td> <td>Select YES or No as applicable</td> </tr> </table>	Tranche number	Enter Tranche number as 2	Amount in previous tranche(s)	Enter the total amount as received in all previous tranches	FC-TRS details	Enter the FC-TRS reference number along with the tranche amount reported in the FC-TRS	Amount Indemnified /Amount paid as Indemnified in Rs	Enter the Amount being paid as indemnity	Date of Remittance	Enter the date of remittance.	Is last tranche	Select YES or No as applicable
Tranche number	Enter Tranche number as 2												
Amount in previous tranche(s)	Enter the total amount as received in all previous tranches												
FC-TRS details	Enter the FC-TRS reference number along with the tranche amount reported in the FC-TRS												
Amount Indemnified /Amount paid as Indemnified in Rs	Enter the Amount being paid as indemnity												
Date of Remittance	Enter the date of remittance.												
Is last tranche	Select YES or No as applicable												
Whether the remitter is different from a foreign investor	<p>Please select "NO" if the remitter is same as the foreign investor.</p> <p>In case the two are different (third party payment, if permissible), Please select "YES" enter the details viz., Name of the Remitter, Country of remitter, relationship between Remitter and foreign investor and attach the requisite documents</p>												
Declaration	<p>Declaration text- I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete, and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration and other relevant attachment(s) for this reporting. *</p> <p>Check upon completing all details in the form.</p>												

STEP 4.4 - Tab 5 - Shareholding Pattern

The screenshot shows the 'RBI FDI' section of the 'Reserve Bank of India - Frequently' page. The URL in the address bar is 10.28.2.180:7785/smffaces/pages/FileReturn/searchReturn.xhtml?menuRedirect=Y. The page title is 'Search File Return'. The right side of the screen shows a user profile for 'Pahadekar, Monika - Outlook'.

Applicable Sectoral cap/Statutory ceiling*

- 20%
- 26%
- 49%
- 51%
- 74%
- 100%
- Others

Whether the foreign investment is received for a specific project/manufacturing unit or manufacturing plant?

- Yes
- No

FCTR Form

Common Details Particulars of Transfer Remittance Details Share Holding Pattern

Particulars	Pre-Transaction	Post-Transaction
Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares	14000	
Foreign Portfolio Investment	0	
Indirect foreign investment- Value of equity shares (on fully diluted basis)	0	
Total	14000.00	
Percentage	14.00	

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Field name	Description		
Shareholding pattern	Particulars	Pre-Transaction	Post-Transaction
	Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares		
	Foreign Portfolio Investment		
	Indirect foreign investment- Value of equity shares (on fully diluted basis)		
	Total		
	Percentage		
<p>Pre transaction values are auto-populated from the Entity Master (tab 3)</p> <p>Post transaction values are auto calculated based upon the details provided in the form. Post transaction=Pre transaction value of shares + Value of shares reported in the form.</p> <p>The Business user shall ensure that the details are correctly filled in the form, so that the shareholding pattern which is auto-calculated is correct.</p>			

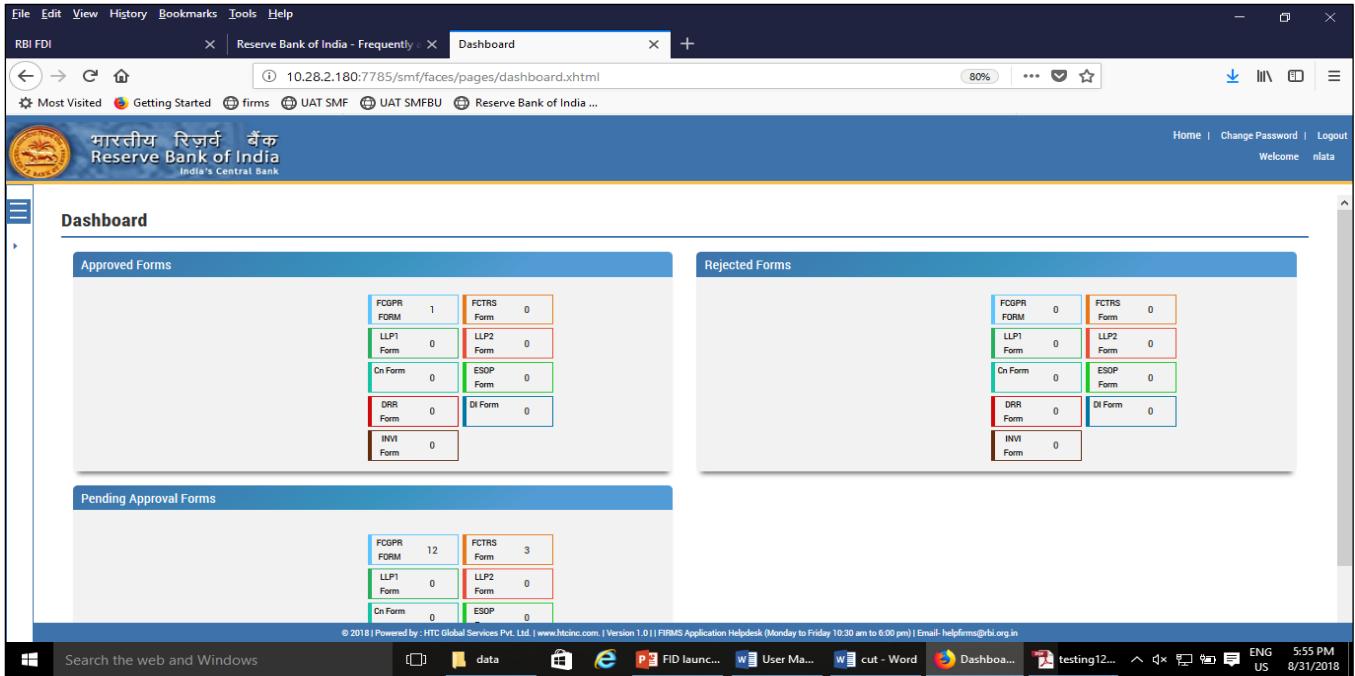
STEP 4.5: After filling in all details, click on **Save and Submit** for submitting the form.

- “**Save as draft**” feature: The Business User can also save the draft and submit later, by filling in all mandatory details in the “Common details” page.
- “**Reset**” feature: This will reset the complete form.
- “**Back**” button: To go back to the Dashboard.

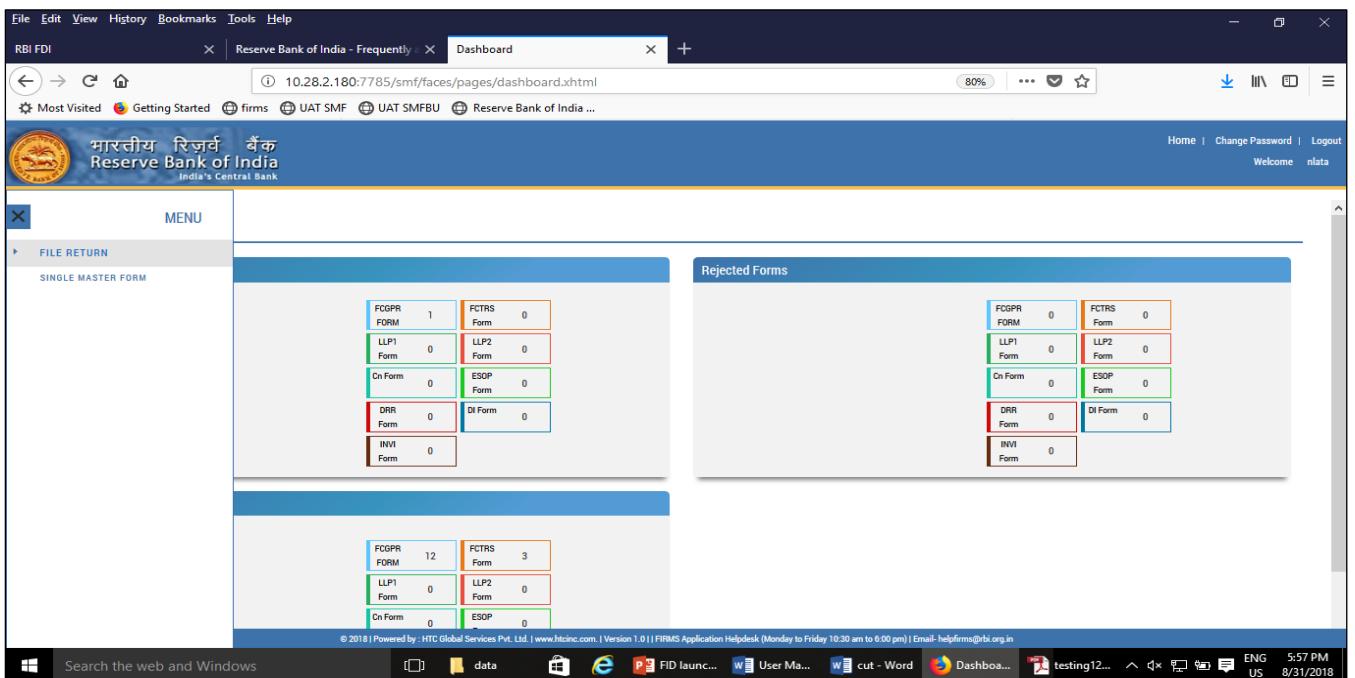
NOTE: For the list of documents to be attached along with Form FC-TRS, refer to Annex - III

LLP-I

STEP 1: Login into SMF and reach your workspace.



Click on the left navigation button and select Single Master Form.



STEP 2: Click on drop down menu “Return Type”. Select “Form LLP-I” and click on Add new return. The user will be taken to form LLP-I.

The complete form is arranged into two parts, Common Investment details and “Form LLP-I” which is further arranged into 2 tabs.

(Common Investment details: These details are common to all returns that can be reported in SMF.)

STEP 3: Fill up the common investment details as below:

Field Name	Description								
CIN	Pre-filled, non-editable as per the BU registration details								
Company name	Pre-filled, non-editable as per the BU registration details								
PAN number	Pre-filled, non-editable as per the BU registration details								
Application date	Pre-filled, non-editable, system date								
Entry Route*	<p>Select Automatic or Government as applicable for the investment being reported. In case the Government route is selected attach the requisite Government approvals.</p> <p><u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route. If the investment being reported is under 74%. The entry route selected shall be automatic and in case the investment being reported would result into foreign investment beyond 74%, the entry route selected shall be government with relevant government approvals attached.</p>								
Applicable Sectoral cap/ Statutory ceiling*	<p>Applicable sectoral cap as per extant FEMA notification, as amended from time to time.</p> <p><u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route, the applicable sectoral cap would be 100%.</p>								
Whether the foreign investment received is for a specific project/ manufacturing unit/ plant?	<p>Select Yes or No as applicable. If yes is selected, fill up the details as below:</p> <table border="1"> <tr> <td>PIN Code</td> <td>Enter the PIN code and click on arrow</td> </tr> <tr> <td>State</td> <td>Pre-filled as per PIN code</td> </tr> <tr> <td>City/District</td> <td>Enter the city/district</td> </tr> <tr> <td>Brownfield/Greenfield</td> <td>Enter brownfield or greenfield as applicable for the investment.</td> </tr> </table>	PIN Code	Enter the PIN code and click on arrow	State	Pre-filled as per PIN code	City/District	Enter the city/district	Brownfield/Greenfield	Enter brownfield or greenfield as applicable for the investment.
PIN Code	Enter the PIN code and click on arrow								
State	Pre-filled as per PIN code								
City/District	Enter the city/district								
Brownfield/Greenfield	Enter brownfield or greenfield as applicable for the investment.								

STEP 4: Fill up the details in form LLP-I as below:

The screenshot shows the 'LLP-I Form' section of the Reserve Bank of India's Firms Application system. The 'General details' tab is selected. The form fields include:

- Name ***: NAME [Input Field]
- Address ***: ADDRESS [Input Field]
- Country ***: Select dropdown with options including BHARAT (highlighted), SINGAPORE, INDIA, MALESIYA, THAILAND, SRILANKA, TOKYO, and USA.
- Constitution/Nature ***: Person Resident outside India other than NRI/OCI [Input Field]
- Remittance Details**:
 - Name of the AD Bank through whom the remittance is received * [Input Field]
 - Address * [Input Field]
- PIN Code**: [Input Field]
- State ***: [Input Field]
- Mode of payment:** [Input Field]

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The screenshot shows the 'Share Holding Pattern' tab of the LLP-I Form. The form fields include:

- Mode of payment:**
 - Remittance through banking channel
 - Debit to NRE/FONR
 - Others(Please Specify)
- Whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern:**
 - NO
 - YES
- Remittance Date**: 28/08/2018 [Input Field]
- Amount remitted (in Rupees) ***: 100 [Input Field]
- Value of capital contribution ***: 1000 [Input Field]
- Paid Up Capital**: 100 [Input Field]
- Total Value of capital contribution for all investors ***: 1000.000 [Input Field]
- Fair Value ***: 100 [Input Field]
- Remarks**: [Input Field]
- FIRC/Debit statement/KYC ***:
 - Choose [File Selection Button]
 - LLP1_FIRC_shwetak_Before_1535542108580.pdf
- Valuation Certificate ***:
 - Choose [File Selection Button]
 - LLP1_KYC_shwetak_After_1535542111785.pdf
- I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration and other relevant attachment(s) for this reporting.** [Check Box]
- Other Attachment ***:
 - Choose [File Selection Button]
 - LLP1_KYC_shwetak_After_1535542152025.pdf

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STEP 4.1: Tab 1: Common details

Field Name	Description
General Details	Enter the details of the person resident outside India making the capital contribution in the LLP as Name, address, country and constitution nature
Remittance details	Select the name of the AD bank through which the remittance has been received. Enter the address and select the PIN code through the search option. State and City are auto-populated. In case the state or city auto-populated is not correct, edit the same accordingly.
Mode of Payment	Select the Mode of Payment, as applicable, from the radio button as: <ul style="list-style-type: none"> • Remittance through Banking Channel. • NRE/FCNR • Others (please specify)
Value of Capital contribution	Value of capital contribution by the person resident outside India in the LLP.
Total Capital contribution in the LLP	Value of capital contribution in the LLP from all investors including resident and non-resident.
Total Value of Capital contribution in Rs for all investors	In case where the capital contribution is being received at the same date from multiple foreign investors and the applicant wishes to file for all investors in one form LLP-I, enter the total value of capital contribution for all such foreign investors. For entering the details for other foreign investors, file another form LLP-I as the LLP-I has the provision of entering only one investor details.
Fair value	Enter the fair value and attach the valuation certificate
Remarks	Enter remarks if any.
Declaration and other attachments	Declaration text -I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration and other relevant attachment(s) for this reporting. Select the check box and attach other documents, if any.

STEP 4.2 - Tab 2 - Shareholding Pattern

Entry Route*

Automatic Route Government Route (Attach Copy Of Government Approval)

Applicable Sectoral cap/ Statutory ceiling*

20% 26% 49% 51% 74% 100% Others

Whether the foreign investment is received for a specific project/manufacturing unit or manufacturing plant?*

Yes No

LLP-I Form

Common Details **Share Holding Pattern**

Particulars	Pre-Transaction	Post-Transaction
Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares	14000	
Foreign Portfolio Investment	0	
Indirect foreign investment- Value of equity shares (on fully diluted basis)	0	
Total	14000.00	
Percentage	14.00	

Field name	Description		
Shareholding pattern	Particulars	Pre-Transaction	Post-Transaction
	Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares		
	Foreign Portfolio Investment		
	Indirect foreign investment- Value of equity shares (on fully diluted basis)		
	Total		
	Percentage		
<ul style="list-style-type: none"> Pre transaction values are auto-populated from the Entity Master (Tab 3) Post transaction values are auto-calculated based upon the details provided in the Form. Post transaction = Pre transaction value of shares + Value of shares reported in the form. <p>The Business user shall ensure that the details are correctly filled in the form, so that the shareholding pattern which is auto- calculated is correct.</p>			

STEP 4.3: After filling in all details, click on “**Save and Submit**” for submitting the form.

- “**Save as draft**” feature: The Business User can also save the draft and submit later, by filling in all mandatory details in the “Common details” page.
- “**Reset**” feature: This will reset the complete form.
- “**Back**” button: To go back to the Dashboard

NOTE: For the list of documents to be attached along with Form LLP I, refer to Annex - III

LLP-II

STEP 1: Login into SMF and reach your workspace.

The screenshot shows the Reserve Bank of India Single Master Form (SMF) Dashboard. The interface is a web-based application with a dark blue header and a light blue footer. The top navigation bar includes links for File, Edit, View, History, Bookmarks, Tools, and Help. The main content area is titled "Dashboard". It features three main sections: "Approved Forms", "Pending Approval Forms", and "Rejected Forms". Each section contains a grid of form names and their counts. The forms listed are FCGPR, FCTRS, LLP1, LLP2, Cn Form, ESOP, DRR, DI Form, and INV1. The counts for Approved Forms are: FCGPR (1), FCTRS (0), LLP1 (0), LLP2 (0), Cn Form (0), ESOP (0), DRR (0), DI Form (0), and INV1 (0). The counts for Pending Approval Forms are: FCGPR (12), FCTRS (3), LLP1 (0), LLP2 (0), Cn Form (0), and ESOP (0). The counts for Rejected Forms are: FCGPR (0), FCTRS (0), LLP1 (0), LLP2 (0), Cn Form (0), ESOP (0), DRR (0), DI Form (0), and INV1 (0). The footer contains copyright information and a system status bar showing the date and time.

Click on the left navigation button and select Single Master Form.

The screenshot shows the Reserve Bank of India Single Master Form (SMF) Dashboard with a left navigation menu. The menu is titled "MENU" and includes "FILE RETURN" and "SINGLE MASTER FORM". The main content area is titled "Dashboard" and contains the same sections as the previous screenshot: "Approved Forms", "Pending Approval Forms", and "Rejected Forms". The forms and their counts are identical to the previous screenshot. The footer contains copyright information and a system status bar showing the date and time.

STEP 2: Click on drop down menu “Return Type”. Select “Form LLP-II” and click on Add new return. The user will be taken to form LLP-II.

The complete form is arranged into two parts, **Common Investment details** and “Form LLP-II” which is further arranged into 4 tabs.

(*Common Investment details: These details are common to all returns that can be reported in SMF.*)

STEP 3: Fill up the common investment details as below:

Field Name	Description								
CIN	Pre-filled, non-editable as per the BU registration details								
Company name	Pre-filled, non-editable as per the BU registration details								
PAN number	Pre-filled, non-editable as per the BU registration details								
Application date	Pre-filled, non-editable, system date								
Entry Route*	<p>Select Automatic or Government as applicable for the investment being reported. In case the Government route is selected attach the requisite Government approvals.</p> <p><u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route. If the investment being reported is under 74%. The entry route selected shall be automatic and in case the investment being reported would result into foreign investment beyond 74%, the entry route selected shall be government with relevant government approvals attached.</p>								
Applicable Sectoral cap/ Statutory ceiling*	<p>Applicable sectoral cap as per extant FEMA notification, as amended from time to time.</p> <p><u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route, the applicable sectoral cap would be 100%.</p>								
Whether the foreign investment received is for a specific project/manufacturing unit/plant?	<p>Select Yes or No as applicable.</p> <p>If YES is selected, fill up the details as below:</p> <table border="1"> <tr> <td>PIN Code</td> <td>Enter the PIN code and click on arrow</td> </tr> <tr> <td>State</td> <td>Pre-filled as per PIN code</td> </tr> <tr> <td>City/District</td> <td>Enter the city/district</td> </tr> <tr> <td>Brownfield/Greenfield</td> <td>Enter brownfield or greenfield as applicable for the investment.</td> </tr> </table>	PIN Code	Enter the PIN code and click on arrow	State	Pre-filled as per PIN code	City/District	Enter the city/district	Brownfield/Greenfield	Enter brownfield or greenfield as applicable for the investment.
PIN Code	Enter the PIN code and click on arrow								
State	Pre-filled as per PIN code								
City/District	Enter the city/district								
Brownfield/Greenfield	Enter brownfield or greenfield as applicable for the investment.								

STEP 4: Fill up the details in form LLP-II as below:

STEP 4.1: Tab 1 - Transfer details

The screenshot shows the 'Transfer Details' tab selected in the navigation bar. The 'Date of Transfer' field is empty. The 'Transfer Type' section contains two radio buttons: one selected for 'Transfer of capital contribution/profit shares from a person resident outside India to a person resident in India [including NRI/ OCI or eligible investor under Schedule 4 of FEMA 20(R)]' and another for 'Transfer of capital contribution/profit shares instruments from a person resident in India [including NRI/ OCI or eligible investor under Schedule 4 of FEMA 20(R)] to a person resident outside India'. The 'Amount of outflow (Rs)*' field is empty. The 'Relevant acknowledgement letter*' field has a 'Choose' button. The status bar at the bottom shows the date as 8/31/2018 and the time as 9:19 AM.

Field Name	Description
Date of Transfer	Select the date of transfer. In case the date of transfer is a future date, please leave this date as blank.
Transfer Type	<p>Select from the following (radio buttons) as applicable:</p> <p>Transfer of capital contribution/ profit shares from a person resident outside India to a person resident in India [including NRI/ OCI or eligible investor under Schedule 4 of FEMA 20(R)]. Upon selection of this option enter the amount of outflow in Rs and attach the relevant acknowledgement letters, if any.</p> <p>Transfer of capital contribution/profit shares instruments from a person resident in India [including NRI/ OCI or eligible investor under Schedule 4 of FEMA 20(R)] to a person resident outside India.</p> <p>Upon selection of this option enter the amount of inflow in Rs and attach the relevant acknowledgement letters, if any.</p> <p>(In case, there is no necessary attachments, attach a declaration specifying the same).</p>

STEP 4.2: Tab 2 - Buyer Seller details.

The screenshot shows a web browser window for the Reserve Bank of India's Firms Application. The URL is 10.28.2.180:7785/smffaces/pages/FileReturn/searchReturn.xhtml?menuRedirect=Y. The page title is 'Search File Return'. The main content area is titled 'Buyer Seller Details'. It contains two sections: 'Buyer Details' and 'Seller Details'. Each section has fields for 'Name of the buyer/seller', 'Address', and 'Country of residence', each with a required asterisk. Below these fields is a dropdown menu for 'Constitution / Nature'. The bottom of the page includes a footer with copyright information and system status: © 2018 | Powered by : HTC Global Services Pvt. Ltd. | www.htcinc.com. | Version 1.0 | FIRMS Application Helpdesk (Monday to Friday 10:30 am to 6:00 pm) | Email- helpfirms@rbi.org.in. The status bar at the bottom right shows ENG US 9:20 AM 8/31/2018.

Field name	Description
Buyer details	Enter the name and address of the buyer. Select the country of residence and constitution/nature from the drop-down menu.
Seller details	Enter the name and address of the seller. Select the country of residence and constitution/nature from the drop-down menu.

STEP 4.3: Tab 3 - Particulars of Transfer.

The screenshot shows the 'Particulars of Transfer' tab of the LLP-II Form. Key visible elements include:

- Transfer Details:** A question about whether the foreign investment is received for a specific project/manufacturing unit or manufacturing plan? (Yes/No).
- Remittance Details:** Fields for Name of the AD Bank and Address.
- Mode of payment:** Options include Remittance through banking channel, NRE/FCNR/Escrow A/c, and Others (please specify). Sub-fields for NRE Remittance Date, Other Remittance Date, and various amount fields (Amount remitted, NRE Amount remitted, Other Amount remitted) are present.
- Declaration:** A checkbox for declaration regarding the information provided.
- Bottom navigation:** Includes links for 'Search File Return', 'User Manual - up...', and the user's name 'Pahadekar, Monika...'. The status bar shows the date as 8/31/2018.

Field name	Description
Whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern*	Select Yes or No accordingly. For explanation refer to the head under "Shareholding pattern"
Value of capital contribution in Rs	Enter the value of capital contribution being transferred
Fair price in Rs	Enter the fair value of the capital contribution and attach the valuation certificate
Remittance Details	Select the name of the AD bank facilitating remittance for this transfer and enter the address of the same
Remittance details – Mode of Payment	Select the applicable mode of payment from the following options (check box) <ul style="list-style-type: none"> • Remittance through banking channel • NRE/FCNR • Others (please specify) <u>Attachments:</u> Other Payment (necessary documents as applicable) In case the total payment has been received through multiple modes of payment, select multiple check boxes accordingly.
Declaration	Declaration text- I hereby declare that I have verified the information provided in this form and certify that the

	<p>information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration and other relevant attachment(s) for this reporting.</p> <p>Check the declaration box and attach requisite declaration and other attachments, if any.</p>
--	--

STEP 4.4: Tab 4 - Shareholding pattern

Entry Route*

Applicable Sectoral cap/ Statutory ceiling*

Whether the foreign investment is received for a specific project/manufacturing unit or manufacturing plant?

LLP-II Form

Particulars	Pre- Transaction	Post- Transaction
Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares	14000	
Foreign Portfolio Investment	0	
Indirect foreign investment- Value of equity shares (on fully diluted basis)	0	
Total	14000.00	
Percentage	14.00	

Field name	Description			
Shareholding pattern	Particulars		Pre- Transaction	Post- Transaction
	Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares			
	Foreign Portfolio Investment			
	Indirect foreign investment- Value of equity shares (on fully diluted basis)			
	Total			
	Percentage			

Pre transaction values are auto-populated from the Entity Master (tab 3).

Post transaction values are auto-calculated based upon the details provided in the form. **Post transaction=Pre**

	<p>transaction value of shares + Value of shares reported in the form.</p> <p>The Business user shall ensure that the details are correctly filled in the form, so that the shareholding pattern which is auto-calculated is correct.</p>
--	--

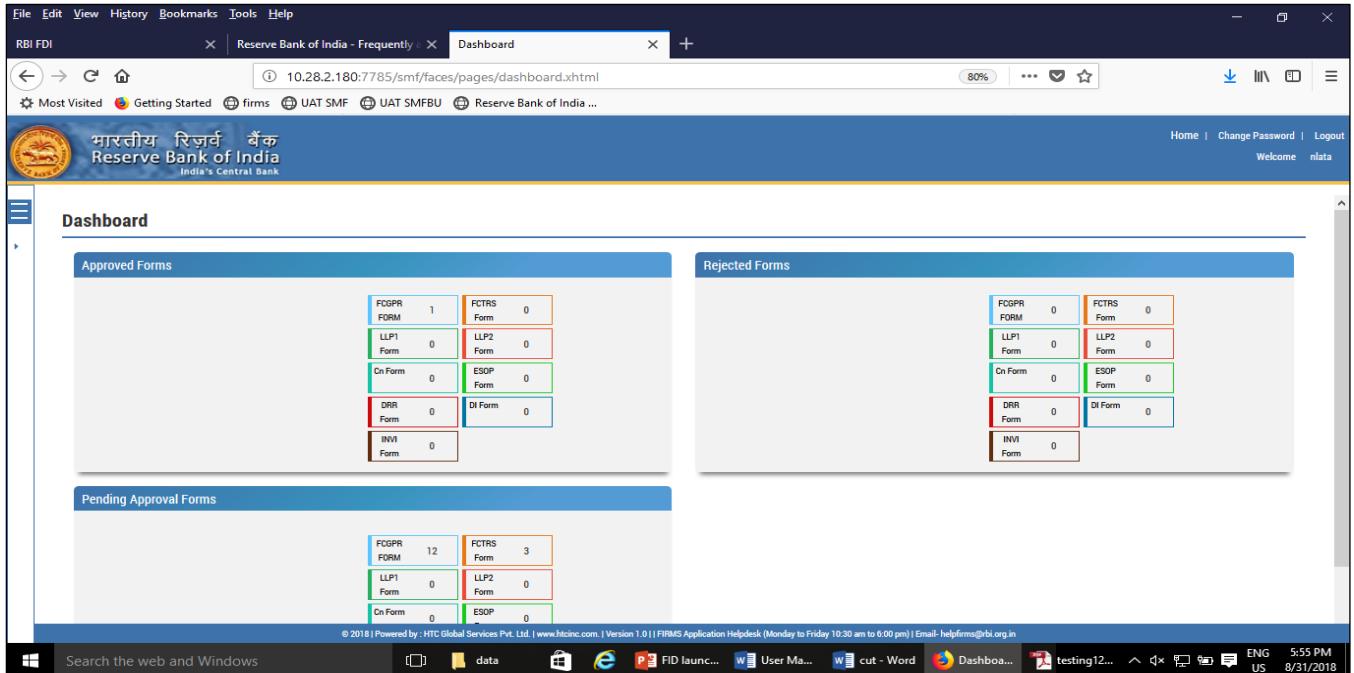
STEP 4.5: After filling in all details, click on “**Save and Submit**” for submitting the Form.

- “**Save as draft**” feature: The Business User can also save the draft and submit later, by filling in all mandatory details in the “Common details” page.
- “**Reset**” feature: This will reset the complete form.
- “**Back**” button: To go back to the Dashboard.

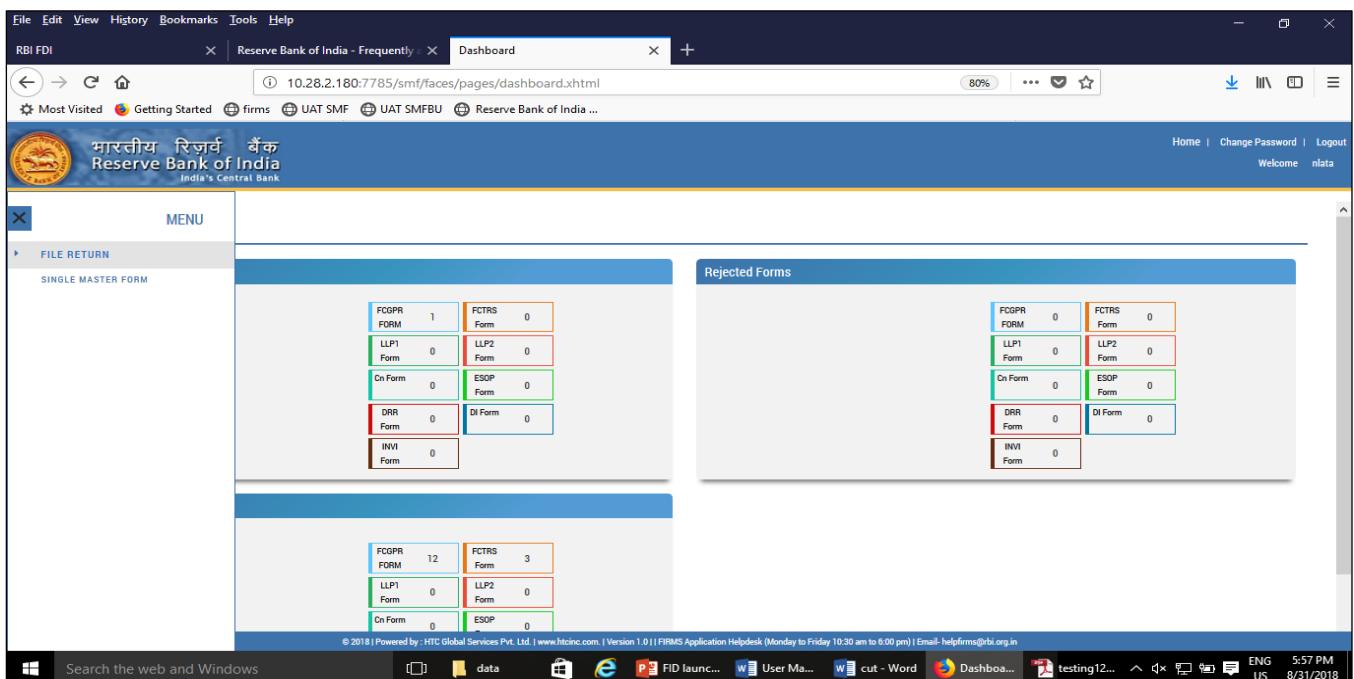
NOTE: For the list of documents to be attached along with Form LLP II, refer to Annex - III

FORM CN

STEP 1: Login into SMF and reach your workspace.



Click on the left navigation button and select Single Master Form.



STEP 2: Click on drop down menu “Return Type”. Select “Form CN” and click on “Add new Return”. The user will be taken to form CN.

The screenshot shows the 'Search Returns' interface on the RBI's FDI portal. The 'Return Type' dropdown is open, displaying various forms. 'Form CN' is highlighted as the selected option. The interface includes date range filters ('From Date' and 'To Date') and a reference number input field. A prominent blue button at the top right says '+ Add New Return'. The top navigation bar features the RBI logo and the text 'Reserve Bank of India - Frequently'. The bottom status bar shows system information like the date and time.

The complete form is arranged into two parts, Common Investment details and “Form CN”

(Common Investment details: These details are common to all returns that can be reported in SMF.)

STEP 3: Fill up the common investment details as below:

The screenshot shows the 'Search Returns' section of the RBI's File Return system. It includes fields for Corporate Identification Number (CIN/LLP) containing 'ABCDEFGHIJKLMNPORT11', PAN Number 'QWERT7890Y', Company Name 'ABC &DEF PVT LTD', and Application Date '21/08/2018'. Below these are sections for 'Details of received FDI-Entry Route and Applicable Sectoral Cap', 'FC-GPR Form', and a bottom navigation bar with system status icons.

Field Name	Description
CIN	Pre-filled, non-editable as per the BU registration details
Company name	Pre-filled, non-editable as per the BU registration details
PAN number	Pre-filled, non-editable as per the BU registration details
Application date	Pre-filled, non-editable, system date
Entry Route*	<p>Select Automatic or Government as applicable for the investment being reported. In case the Government route is selected attach the requisite Government approvals.</p> <p><u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route. If the investment being reported is under 74%. The entry route selected shall be automatic and in case the investment being reported would result into foreign investment beyond 74%, the entry route selected shall be government with relevant government approvals attached.</p>
Applicable Sectoral cap/ Statutory ceiling*	<p>Applicable sectoral cap as per extant FEMA notification, as amended from time to time.</p> <p><u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route, the applicable sectoral cap would be 100%.</p>

STEP 4: Select the Transaction type from the drop-down menu as applicable.

The screenshot shows a Microsoft Edge browser window titled 'Search File Return'. The address bar displays the URL: 10.28.2.180:7785/smffaces/pages/FileReturn/searchReturn.xhtml?menuRedirect=Y. The page header includes the Reserve Bank of India logo and links for 'Home', 'Change Password', and 'Logout'. A user named 'Pahadekar, Monika' is logged in. The main content area is titled 'CN Form' and contains a form field labeled 'Transaction type*' with a dropdown menu open. The dropdown menu lists five options: 'Select', 'Issue of convertible notes', 'Repayment', 'Conversion of convertible notes', and 'Transfer of convertible notes'. The 'Select' option is currently highlighted. At the bottom of the screen, the Windows taskbar shows various pinned icons and the date/time: '8/31/2018 9:56 AM'.

Drop down options	Description
Issue of convertible notes	Select this option where the convertible notes are being issued to person(s) resident outside India as per FEM(NDI) Rules, 2019
Repayment	Select this option where the amount received in lieu of issuance of convertible notes is being repaid to person (s) resident outside India as per FEM(NDI) Rules, 2019
Conversion of Convertible notes	Select this option where the convertible notes as issued to person (s) resident outside India is being converted into equity shares
Transfer of convertible notes	Select this option where the convertible is being transferred from a person resident outside India to a person resident in India (including NRI on Non repatriation basis) or vice-versa.

STEP 5.1: For issue of Convertible Notes.

The screenshot shows a web browser window for 'Pahadekar, Monika - Outlook Web'. The URL is 10.28.2.180:7785/smffaces/pages/FileReturn/searchReturn.xhtml?menuRedirect=Y. The page title is 'Search File Return'. The main content area is titled 'Issue of convertible notes'. It contains several input fields: 'Date of issue of convertible notes' (with a calendar icon), 'Total amount of inflow', 'Number of foreign investors', and a dropdown for 'Transaction type' which is set to 'Issue of convertible notes'. Below these, there's a section for 'Details of the foreign investor' with fields for 'Name of the foreign investor', 'Address', 'Country' (with a dropdown menu), and 'Constitution/Nature' (with a dropdown menu). A button '+ Add Investor' is visible. At the bottom, there's a 'Remittance Details' section. The footer of the browser window shows standard navigation icons and the date/time: 8/31/2018, 9:52 AM, ENG, US.

Field Name	Description	
Date of issue of convertible notes	Select the date of issue of convertible notes	
Total amount of Inflow	Enter the total amount of inflow being reported in this form CN	
Number of foreign investors	Enter the number of foreign investors to whom convertible notes are being issued	
Details of foreign investor	Enter the details of the foreign investor as below:	
	Name of the foreign investor	Enter the name of the foreign investor
	Address	Enter the address of the foreign investor
	Country	Select the country of the foreign investor from the drop-down menu
	Constitution/ Nature	Select the constitution /nature of the foreign investor from the drop-down menu
	Remittance Details- Name of the AD bank and address	Select the name of the AD bank from the available option, other details are auto-populated based upon selection. If the details are not correct, the same may be modified accordingly. The field is editable.
	Mode of payment	Select the mode of payment from the following (check boxes) <ul style="list-style-type: none"> • Remittance through banking channel

	<ul style="list-style-type: none"> • NRE/FCNR/Escrow • Others (please specify) <p>Enter the Date of remittance, amount remitted in foreign currency and amount remitted in Rs</p> <p>Attachments: FIRC or debit statement as applicable and KYC.</p> <p>In case the payment is being made through multiple modes, select multiple check boxes, and enter the date of remittance as the earliest of the date of remittances. The amount of remittance is the total amount of remittance through all modes.</p>
	<p>Once the above details have been filled, click on ADD investor.</p> <p>Repeat the above process in case of multiple investors.</p>
Declaration text and other attachments	<p>Declaration text: I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete, and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration and other relevant attachment(s) for this reporting.</p> <p>Check the declaration text and attach other attachments, if any.</p>

STEP 5.1.1: After filling in all details, click on “**Save and Submit**” for submitting the form.

- “**Save as draft**” feature: The Business User can also save the draft and submit later, by filling in all mandatory details in the “Common details” page.
- “**Reset**” feature: This will reset the complete form.
- “**Back**” button: To go back to the Dashboard.

STEP 5.2. For transfer of convertible notes

The screenshot shows the 'CN Form' for 'Transfer Of Convertible Notes'. The 'Type of transfer' field is set to 'Transfer of convertible notes from a person resident in India ((Including investment by NRI/OCI or eligible Investor under Schedule 4 of FEMA 20(R))) to a person resident outside India'. Other options like 'Transfer of capital contribution/profit shares from a person resident outside India to a person resident in India [including NRI/OCI or eligible investor under Schedule 4 of FEMA 20(R)] Please provide the acknowledgement letter for the initial investment' are available. The form requires details of the buyer and seller, including names, addresses, countries, and constitutions/natures. It also asks for the name of the AD bank through whom the remittance is received, and fields for amount remitted (in Rupees) and fair value (in Rs). Payment modes like Remittance through banking channel, NRE/PNR/Escrow A/c, and Others (please specify) are listed. A declaration checkbox states: 'I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration and other relevant attachment(s) for this reporting.'

Field name	Description
Date of transfer	Select the date of transfer. In case, it is a future date select the current date.
Type of transfer	<p>Select from the following options as applicable</p> <p>Transfer of capital contribution/profit shares from a person resident outside India to a person resident in India [including NRI/OCI or eligible investor under Schedule 4 of FEMA 20(R)] Please provide the acknowledgement letter for the initial investment</p> <p>Enter the amount of Outflow in Rs</p> <p>Transfer of convertible notes from a person resident in India ((Including investment by NRI/OCI or eligible Investor under Schedule 4 of FEMA 20(R))) to a person resident outside India</p> <p>Enter the amount of inflow in Rs</p>
Details of the Buyer	Enter the details of the buyer
Details of the seller	Enter the details of the seller
Details of the AD bank	Select the name of the AD bank facilitating the transfer and check for the address. If the same is incorrect, modify the same accordingly.
Mode of payment	Select the mode of payment from the following (check boxes)

	<ul style="list-style-type: none"> • Remittance through banking channel • NRE/FCNR/Escrow • Others (please specify) <p>Enter the Date of remittance and amount remitted in Rs</p> <p><i>Attachments:</i> FIRC or debit statement as applicable and KYC.</p> <p>In case the payment is being made through multiple modes, select multiple check boxes, and enter the date of remittance as the earliest of the date of remittances. The amount of remittance is the total amount of remittance through all modes.</p>
Fair value	Enter the fair value of the convertible note being transferred and attach the valuation certificate.
Declaration text and other attachments	<p>Declaration text I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete, and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration and other relevant attachment(s) for this reporting.</p> <p>Check the declaration text and attach other attachments, if any.</p>

STEP 5.2.1: After filling in all details, click on “**Save and Submit**” for submitting the form.

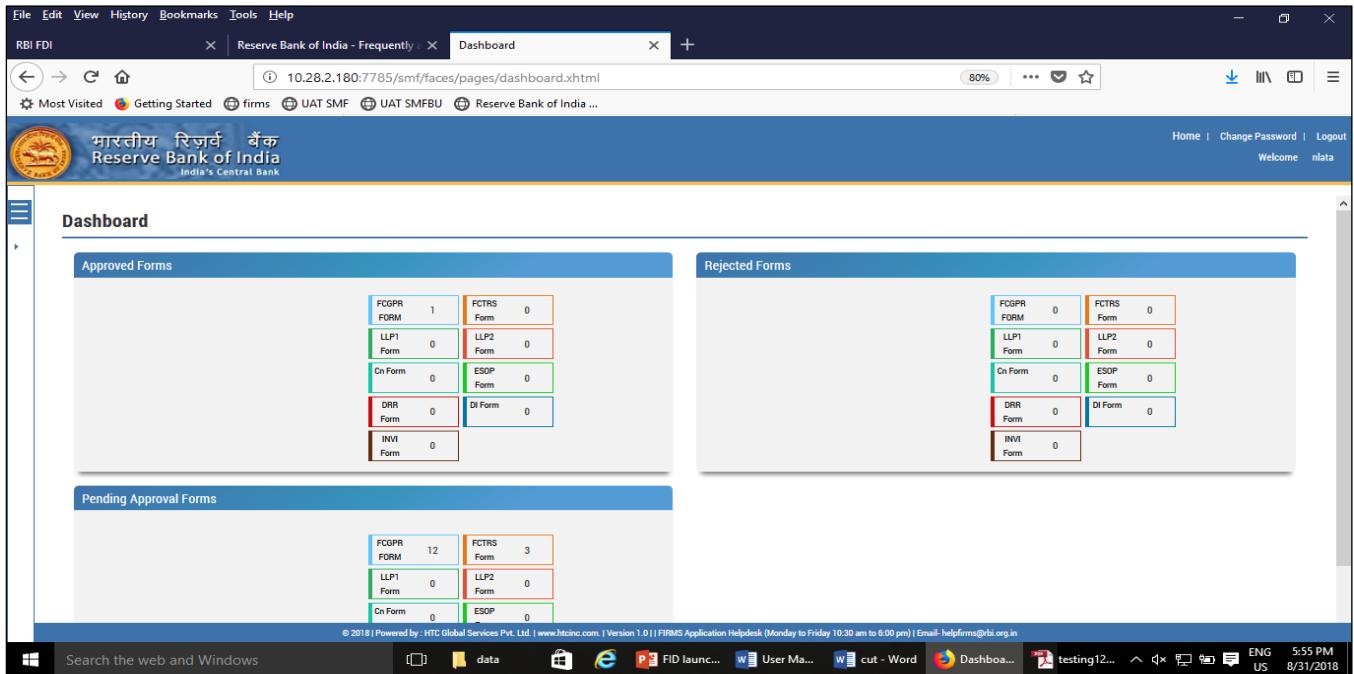
- “**Save as draft**” feature: The Business User can also save the draft and submit later, by filling in all mandatory details in the “Common details” page.
- “**Reset**” feature: This will reset the complete form.
- “**Back**” button: To go back to the Dashboard.

NOTE:

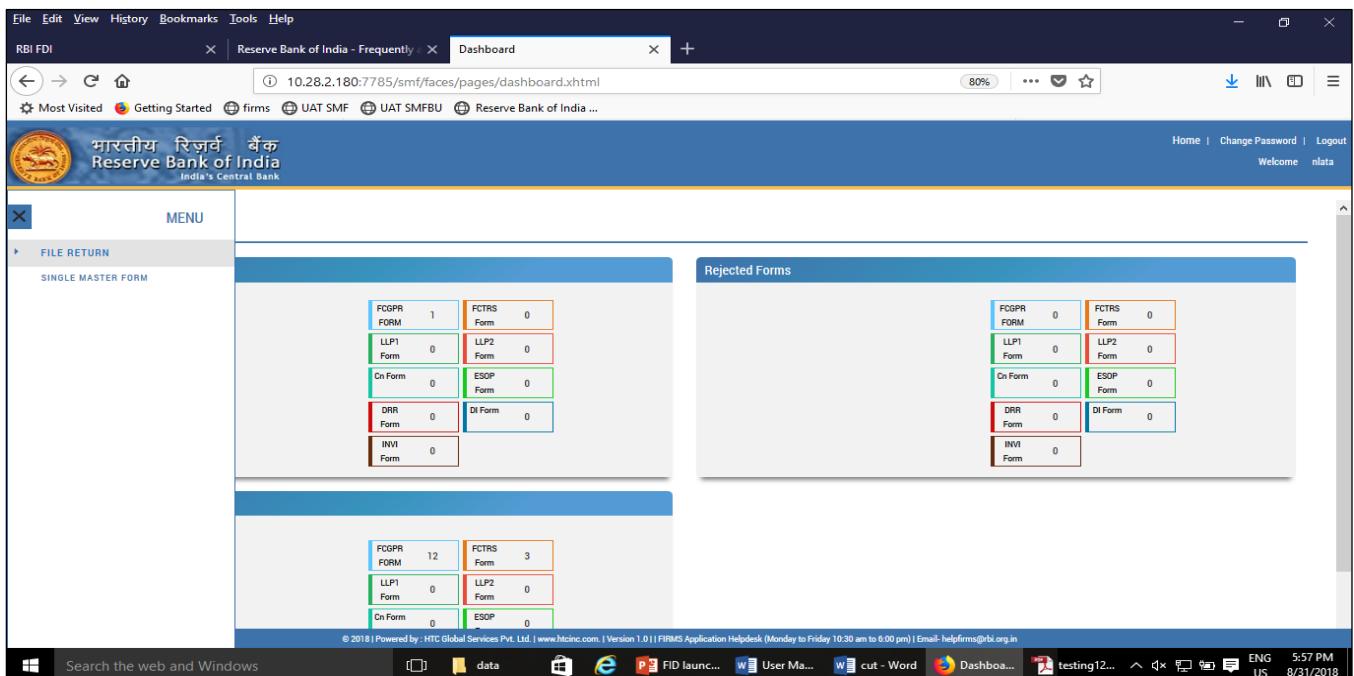
- i. For the list of documents to be attached along with Form CN, refer to Annex - III
- ii. Reporting is not required in case of repayment of Convertible Notes.

FORM ESOP

STEP 1: Login into SMF and reach your workspace.



Click on the left navigation button and select Single Master Form.



STEP 2: Click on drop down menu “Return Type”. Select “Form ESOP” and click on “Add new return”. The user will be taken to form ESOP.

The complete form is arranged into two parts, Common Investment details and “Form ESOP” which is further arranged into 2 tabs.

(*Common Investment details: These details are common to all returns that can be reported in SMF.*)

STEP 3: Fill up the common investment details as below:

Field Name	Description
CIN	Pre-filled, non-editable as per the BU registration details
Company name	Pre-filled, non-editable as per the BU registration details
PAN number	Pre-filled, non-editable as per the BU registration details
Application date	Pre-filled, non-editable, system date
Entry Route*	<p>Select Automatic or Government as applicable for the investment being reported. In case the Government route is selected attach the requisite Government approvals.</p> <p><u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route. If the investment being reported is under 74%. The entry route selected shall be automatic and in case the investment being reported would result into foreign investment beyond 74%, the entry route selected shall be government with relevant government approvals attached.</p>
Applicable Sectoral cap/ Statutory ceiling*	<p>Applicable sectoral cap as per extant FEMA notification, as amended from time to time.</p> <p>Clarification: where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route, the applicable sectoral cap would be 100%.</p>

STEP 4: Fill up the details in form ESOP as below:

STEP 4.1: TAB 1 - ESOP details:

The screenshot shows the 'ESOP Details' tab selected in the top navigation bar. The main form contains the following fields:

- Scheme under which ESOPs are issued *
- Date Of Issue *
- Number of ESOPs issued *
- Pre-determined issue price *
- Conversion ratio *(*)
- Equivalent equity shares on fully diluted basis *
- Face value of equity shares *
- Whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern: * (radio buttons for NO and YES)
- Value of Shares in Rs *
- A declaration checkbox: I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration, CS certificate and other relevant attachment(s) for this reporting.

At the bottom, there is a footer with copyright information, a toolbar with various icons, and language settings (ENG INTL 22-10-2018).

Field Name	Description
Scheme Under which ESOPs are issued	Mention the name of the scheme under which the ESOPs are being issued and attach the relevant extracts of the same at the attachment "Attach the relevant extracts of the scheme"
Date of Issue	Select the date from the calendar in which the ESOPs have been issued
Number of ESOPs issued	Enter the Total number of ESOPs being issued as per the scheme
Pre-determined Issue price	Enter the pre-determined issue price on which the underlying would be issued upon exercise of ESOPs
Conversion Ratio	Enter the conversion ratio as per which the shares would be issued upon exercise of the ESOPs. In case of an ADR/GDR linked ESOP, enter the conversion ratio on a fully diluted basis. For example, if the as per the scheme 1 ESOP has an underlying of 2 GDRs and GDRs in turn has underlying of 10 equity shares, then the conversion ratio would be 1: 20.
Equivalent equity shares on fully diluted basis	Auto-calculated as per Number of ESOPs issued and the conversion ratio
Face value of equity shares	Enter the face value of the underlying Equity shares
Whether the change in the shareholding	Select Yes or No In case Yes is selected then there will not be any change in the shareholding pattern for this transaction being reported.

pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern*	In case No is selected, a field for Paid up capital on fully diluted basis will pop-up. Enter the paid-up capital value on fully diluted basis. The changes would be reflected in the shareholding pattern for this transaction being reported accordingly.
Value of shares in Rs	Auto-calculated as per Equivalent equity shares on fully diluted basis and the face value of equity shares
Declaration	<p>Declaration text- "I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration, CS certificate and other relevant attachment(s) for this reporting."</p> <p>Check upon completing all details in the form.</p>

STEP 4.2: Tab 2 - Shareholding pattern

Entry Route *

Applicable Sectoral cap/ Statutory ceiling *

Whether the foreign investment is received for a specific project/manufacturing unit or manufacturing plant? *

Automatic Route Government Route (Attach Copy Of Government Approval)

20% 26% 49% 51% 74% 100% Others

Yes No

ESOP Form

ESOP Details Share Holding Pattern

Particulars	Pre-Transaction	Post-Transaction
Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares	661000	
Foreign Portfolio Investment	0	
Indirect foreign investment- Value of equity shares (on fully diluted basis)	668676	
Total	1329676.000	
Percentage	13.30	

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Windows Taskbar: File Explorer, Task View, Mail, File History, Task Scheduler, Task Manager, Word, Excel, Powerpoint, Edge, Google Chrome, File Explorer, Word, Excel, Powerpoint.

System tray: ENG INTL, 19:42, 22-10-2018.

Field name	Description		
Shareholding pattern	Particulars	Pre-Transaction	Post-Transaction
Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares			
Foreign Portfolio Investment			
Indirect foreign investment- Value of equity shares (on fully diluted basis)			
Total			
Percentage			

Pre transaction values are auto-populated from the Entity Master (tab 3)

Post transaction values are auto-calculated based upon the details provided in the form.

Post transaction = Pre transaction value of shares + Value of shares reported in the form.

The Business user shall ensure that the details are correctly filled in the form, so that the shareholding pattern which is auto-calculated is correct.

STEP 4.3: After filling in all details, click on “**Save and Submit**” for submitting the form.

An intimation message would Pop-up as “*The applicant may file form FC-GPR as and when the ESOPs are exercised. If the ESOPs are linked to ADR/GDR, form DRR may be filed upon exercise of such ESOPs*”.

Please click YES and form submission is complete.

- “**Save as draft**” feature: The Business User can also save the draft and submit later, by filling in all mandatory details in the “Common details” page.
- “**Reset**” feature: This will reset the complete form.
- “**Back**” button: To go back to the Dashboard.

NOTE: For the list of documents to be attached along with Form ESOP, refer to Annex - III

FORM DI

STEP 1: Login into SMF and reach your workspace.

The screenshot shows the Reserve Bank of India's Single Master Form (SMF) dashboard. The top navigation bar includes links for File, Edit, View, History, Bookmarks, Tools, and Help. The main content area is titled "Dashboard". It features three main sections: "Approved Forms", "Pending Approval Forms", and "Rejected Forms". Each section contains a table with form names and their counts. The "Approved Forms" section has 12 forms: FCGPR (1), FCTRS (0), LLP1 (0), LLP2 (0), Cn Form (0), ESOP (0), DRR (0), DI Form (0), and INV1 (0). The "Pending Approval Forms" section has 3 forms: FCGPR (12), FCTRS (3), LLP1 (0), LLP2 (0), and Cn Form (0). The "Rejected Forms" section has 0 forms.

Click on the left navigation button and select “Single Master Form”.

The screenshot shows the Reserve Bank of India's Single Master Form (SMF) dashboard. The left navigation bar is expanded, showing "FILE RETURN" and "SINGLE MASTER FORM". The "SINGLE MASTER FORM" option is highlighted. The main content area is identical to the previous screenshot, displaying the "Approved Forms", "Pending Approval Forms", and "Rejected Forms" sections. The "Approved Forms" section shows 12 forms: FCGPR (1), FCTRS (0), LLP1 (0), LLP2 (0), Cn Form (0), ESOP (0), DRR (0), DI Form (0), and INV1 (0). The "Pending Approval Forms" section shows 3 forms: FCGPR (12), FCTRS (3), LLP1 (0), LLP2 (0), and Cn Form (0). The "Rejected Forms" section shows 0 forms.

STEP 2: Click on drop down menu “Return Type”. Select “Form DI” and click on “Add new return”. The user will be taken to form DI.

The complete form is arranged into two parts, Common Investment details and “Form DI” which is further arranged into 2 tabs.

(*Common Investment details: These details are common to all returns that can be reported in SMF.*)

STEP 3: Fill up the common investment details as below:

Field Name	Description
CIN	Pre-filled, non-editable as per the BU registration details
Company name	Pre-filled, non-editable as per the BU registration details
PAN number	Pre-filled, non-editable as per the BU registration details
Application date	Pre-filled, non-editable, system date
Entry Route*	Select Automatic or Government as applicable for the investment being reported. In case the Government route is selected attach the requisite Government approvals. <u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route. If the investment being reported is under 74%. The entry route selected shall be automatic and in case the investment being reported would result into foreign investment beyond 74%, the entry route selected shall be government with relevant government approvals attached.
Applicable Sectoral cap/ Statutory ceiling*	Applicable sectoral cap as per extant FEMA notification, as amended from time to time. Clarification: where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route, the applicable sectoral cap would be 100%.

STEP 4: Fill up the details in form DI as below:

STEP 4.1: Tab 1 - DI details:

Field name	Description
Whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern*	<p>Select Yes or No</p> <p>In case YES is selected then there will not be any change in the shareholding pattern for this transaction being reported.</p> <p>In case NO is selected, a field for Paid up capital on fully diluted basis will pop-up. Enter the paid-up capital value on fully diluted basis. The changes would be reflected in the shareholding pattern for this transaction being reported accordingly.</p>
Investor Type	<p>Select the type of resident investor making downstream investment in the investee Indian company from the drop-down menu as:</p> <ul style="list-style-type: none"> • Company • LLP • Investment Vehicle
Name	Enter the name of the resident investor making downstream investment.
Address	Enter the address of the resident investor making downstream investment.
PINCode	Enter the Pin code and click on the Right arrow. If the PIN code is available in the system, the State and District are auto-filled. Or else, enter the State and district. The details are editable.
Date on which the investment become Indirect foreign investment	Select the date on which the investment by the resident investor in the Indian Investee company became indirect foreign investment for the investee company, as per Rule 23 of CHAPTER VIII of FEM(NDI) Rules, 2019.
Date of allotment	Select the date on which the Equity instruments were issued to the resident investor by the Indian investee company. This date would be same as Date on which the investment become Indirect foreign investment if the investment by resident investor is downstream investment, in terms of Rule 23 of CHAPTER VIII of FEM(NDI) Rules, 2019, at the time of allotment itself.
Amount (in Rs)	Amount of inflow for the investment in Rs
Type of instruments	Select from the type of instrument, drop down menu.
Number of instruments	Enter the number of instruments
Conversion ratio	Enter the conversion ratio
Number of shares on a fully diluted basis	Auto-filled as per the number of instruments and conversion ratio.
Face value of equity shares	Enter the face value of the equity shares.

Value of shares	Auto-calculated as per Number of shares on fully diluted basis and the Face value of the shares.
Declaration	<p><u>Declaration text</u> - I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999.</p> <p>Check upon completing all details in the form and attach, any other document (s), if any.</p>

STEP 4.2: Tab 2 – Shareholding pattern

The screenshot shows the RBI FDI Form interface. At the top, there is a header with the Reserve Bank of India logo and the text "भारतीय रिजर्व बँक Reserve Bank of India India's Central Bank". Below the header, there is a question about foreign investment in a specific project manufacturing plant, with "No" selected. The main section is titled "DI Form" and contains two tabs: "DI Details" and "Share Holding Pattern". The "Share Holding Pattern" tab is active, displaying a table with the following data:

Particulars	Pre-Transaction	Post-Transaction
Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares	661000	
Foreign Portfolio Investment	0	
Indirect foreign investment- Value of equity shares (on fully diluted basis)	668676	
Total	1329676.000	
Percentage	13.30	

At the bottom of the screen, there is a taskbar with various icons and a status bar indicating the date (22-10-2018), time (19:46), and language (ENG INTL).

Field name	Description		
Shareholding pattern	Particulars	Pre-Transaction	Post-Transaction
	Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares.		
	Foreign Portfolio Investment		
	Indirect foreign investment- Value of equity shares (on fully diluted basis)		
	Total		
	Percentage		
<p>Pre transaction values are auto-populated from the Entity Master (tab 3)</p> <p>Post transaction values are auto-calculated based upon the details provided in the form.</p> <p>Post transaction = Pre transaction value of shares + Value of shares reported in the form.</p> <p>The Business user shall ensure that the details are correctly filled in the form, so that the shareholding pattern which is auto-calculated is correct.</p>			

STEP 4.3: After filling in all details, click on “**Save and Submit**” for submitting the Form.

- “**Save as draft**” feature: The Business User can also save the draft and submit later, by filling in all mandatory details in the “Common details” page.
- “**Reset**” feature: This will reset the complete form.
- “**Back**” button: To go back to the Dashboard.

NOTE: For the list of documents to be attached along with Form DI, refer to Annex - III

FORM DRR

STEP 1: Login into SMF and reach your workspace.

The screenshot shows the SMF Dashboard with the following data:

Category	Form Type	Count
Approved Forms	FCGPR FORM	1
	FCTRS Form	0
	LLP1 Form	0
	LLP2 Form	0
	Cn Form	0
ESOP Form	0	
DRR Form	0	
DI Form	0	
INVI Form	0	
Rejected Forms	FCGPR FORM	0
	FCTRS Form	0
	LLP1 Form	0
	LLP2 Form	0
	Cn Form	0
ESOP Form	0	
DRR Form	0	
DI Form	0	
INVI Form	0	
Pending Approval Forms	FCGPR FORM	12
	FCTRS Form	3
	LLP1 Form	0
	LLP2 Form	0
	Cn Form	0
ESOP Form	0	

Click on the left navigation button and select “Single Master Form”.

The screenshot shows the SMF Dashboard with the left navigation menu expanded, showing the "SINGLE MASTER FORM" option under the "FILE RETURN" section.

STEP 2: Click on drop down menu “Return Type”. Select “Form DRR” and click on “Add new return”. The user will be taken to Form DRR.

The complete form is arranged into two parts, “Common Investment details” and “Form DRR”, which is further arranged into 2 tabs.

(Common Investment details: These details are common to all returns that can be reported in SMF).

STEP 3: Fill up the common investment details as below:

Field Name	Description
CIN	Pre-filled, non-editable as per the BU registration details
Company name	Pre-filled, non-editable as per the BU registration details
PAN number	Pre-filled, non-editable as per the BU registration details
Application date	Pre-filled, non-editable, system date
Entry Route*	Select Automatic or Government as applicable for the investment being reported. In case the Government route is selected attach the requisite Government approvals. <u>Clarification:</u> where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route. If the investment being reported is under 74%. The entry route selected shall be automatic and in case the investment being reported would result into foreign investment beyond 74%, the entry route selected shall be government with relevant government approvals attached.
Applicable Sectoral cap/ Statutory ceiling*	Applicable sectoral cap as per extant FEMA notification, as amended from time to time. Clarification: where the company belongs to a sector with mixed entry routes, for example brownfield pharmaceuticals where up to 74% is under automatic route and beyond up to 100% under Government route, the applicable sectoral cap would be 100%.

STEP 4: Fill up the details in form DRR as below:

STEP 4.1: Tab 1 - DRR details:

The screenshot shows the 'DRR Form' section of the RBI's FID-Domestic Return system. The 'DRR Details' tab is selected. The form includes fields for the Domestic Custodian (Name, Address), Global Custodian (Name, Address, Country), Number of DRs issued, Underlying Securities, Face value of Equity shares, Conversion Ratio, and various financial amounts (Amount raised in Rs, Issue Expenses, Amount repatriated in India, Amount kept abroad, Amount repatriated in current tranche). A note asks if the change in shareholding pattern has been accounted for, with 'NO' and 'YES' radio buttons. The bottom status bar indicates the date as 22-10-2018.

Field name	Description
Name of the Domestic custodian	Name of the Domestic custodian for the DR issue
Address of the Domestic custodian	Address of the Domestic custodian for the DR issue
Name of the Global Custodian	Name of the Global custodian for the DR issue
Address of the Global Custodian	Address of the Global custodian for the DR issue.
Date of issue	Date on which the DRs have been issued
Country	Country in which the DRs have been issued
Number of DRs issued	Number of DRs as issued
Underlying securities	Select the underlying securities to the DRs issued
Conversion Ratio	Conversion for the DRs issued. Where the underlying security is other than Equity instruments i.e., debt or units, conversion ratio shall be 1:0.
Number of equity shares on fully diluted basis	Auto-calculated as per Number of DRs issued and conversion ratio
Face value of equity shares	Face value of the equity shares
Value of shares	Auto-calculated as per number of shares on fully diluted basis and the face value
Amount raised in Rs	Total amount as raised in the DR issue being reported.

Issue expenses, if any, in Rs	Issue expenses as incurred in the DR issue, if any.
Amount repatriated in the current tranche in Rs	The amount as being repatriated in India so far.
Total Amount repatriated in India in Rs	Total amount repatriated in India, so far
Amount kept abroad in Rs	Auto-calculated as per Amount raised in Rs and Total amount repatriated in India in Rs
Whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern*	Select Yes or No In case Yes is selected then there will not be any change in the shareholding pattern for this transaction being reported. In case No is selected, a field for Paid up capital on fully diluted basis will pop-up. Enter the paid-up capital value on fully diluted basis. The changes would be reflected in the shareholding pattern for this transaction being reported accordingly.
Whether sponsored?	Select Yes or No If Yes, then enter the Name of sponsor and the address of the sponsor
Whether the DR is listed on an International Exchange or trading platform	Select Yes or No If Yes, then enter the name of the stock exchange and the Date of commencement of trading on the same
Declaration	Declaration text- I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. Check upon completing all details in the form and attach other documents, if any.

STEP 4.2 - Tab 2 - Shareholding Pattern:

Home Page - FID_Domain Search File Return 10.28.2.181:7003/smf/faces/pages/FileReturn/searchReturn.xhtml?menuRedirect=Y

Home | Change Password | Logout
Welcome nata

DRR Form

DRR Details Share Holding Pattern

Particulars	Pre-Transaction	Post-Transaction
Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares	661000	
Foreign Portfolio Investment	0	
Indirect foreign investment- Value of equity shares (on fully diluted basis)	668676	
Total	1329676.000	
Percentage	13.30	

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ENG 19:44
INTL 22-10-2018

Field name	Description		
Shareholding pattern	Particulars	Pre-Transaction	Post-Transaction
	Value of equity shares (on fully diluted basis) other than Foreign Portfolio Investment and indirect foreign investment or Value of Capital contribution/profit shares		
	Foreign Portfolio Investment		
	Indirect foreign investment- Value of equity shares (on fully diluted basis)		
	Total		
	Percentage		
<p>Pre transaction values are auto-populated from the Entity Master (tab 3)</p> <p>Post transaction values are auto-calculated based upon the details provided in the form.</p> <p>Post transaction = Pre transaction value of shares + Value of shares reported in the form.</p> <p>The Business user shall ensure that the details are correctly filled in the form, so that the shareholding pattern which is auto-calculated is correct.</p>			

STEP 4.3: After filling in all details, click on “**Save and Submit**” for submitting the form.

- “**Save as draft**” feature: The Business User can also save the draft and submit later, by filling in all mandatory details in the “Common details” page.
- “**Reset**” feature: This will reset the complete form.
- “**Back**” button: To go back to the Dashboard.

STEP 4.4: For subsequent filing of Form DRR, Wherein the Amount raised as in a DRR issue has not been repatriated in India in one go and is kept abroad - In such cases wherever the amount is being repatriated in subsequent tranches, for every subsequent tranche Form DRR shall be filed within 30 days from the date of remittance as a subsequent form DRR to the Form DRR as filed at the time of issue of DRs, as below:

STEP 4.4.1: Using the left navigation button select “**File Return**” and then “**Single Master Form**”.

STEP 4.4.2: Select Return Type as Form DRR. If the reference number of the earlier filed form DRR is known, enter the same in the field “**Return Reference Number**” and click on “**Search Return**”. Or else, enter the from date and search return. Select the initial filed Form DRR and open the same upon clicking on the reference number.

STEP 4.4.3: At the top right select the button “**ADD subsequent return**”. Enter the amount repatriated in the current tranche in Rupees. No other field needs to be entered. The values in Total amount repatriated in India and the Amount kept abroad are updated accordingly. Check the details under the tab “Tranche details”.

STEP 4.4.4: Check the declaration and attach the FIRC for the amount repatriated in the “**Other attachments**” and click on “**Submit**” button at top right.

NOTE: For the list of documents to be attached along with Form DRR, refer to Annex - III

FORM INVI

STEP 1: Login into SMF and reach your workspace.

The screenshot shows the Reserve Bank of India's Single Master Form (SMF) dashboard. The top navigation bar includes File, Edit, View, History, Bookmarks, Tools, and Help. The title bar reads "Reserve Bank of India - Frequently" and "Dashboard". The main content area is titled "Dashboard". It features three main sections: "Approved Forms", "Rejected Forms", and "Pending Approval Forms". Each section contains a grid of form types and their counts. The "Approved Forms" section has 1 FCGPR Form, 0 LLP1 Form, 0 Cn Form, 0 DRR Form, and 0 INV1 Form. The "Rejected Forms" section has 0 FCGPR Form, 0 LLP1 Form, 0 Cn Form, 0 DRR Form, and 0 INV1 Form. The "Pending Approval Forms" section has 12 FCGPR Form, 0 LLP1 Form, 0 Cn Form, 0 DRR Form, and 3 FCTRS Form. The bottom status bar shows the date and time as 8/31/2018 5:55 PM.

Click on the left navigation button and select “Single Master Form”.

The screenshot shows the Reserve Bank of India's Single Master Form (SMF) dashboard. The left sidebar has a "MENU" button and a "FILE RETURN" button. Below "FILE RETURN" is a "SINGLE MASTER FORM" button, which is highlighted. The main content area is titled "Dashboard" and contains the same sections as the previous screenshot: "Approved Forms", "Rejected Forms", and "Pending Approval Forms". The data in the grids remains the same. The bottom status bar shows the date and time as 8/31/2018 5:57 PM.

STEP 2: Click on drop down menu “**Return Type**”. Select “**Form InVI**” and click on “**Add new return**”. The user will be taken to form InVI. (As the Business user registration is for Form InVI, only one option of Form InVI is available in the drop-down menu.)

Field Name	Description
Application Date	Date on which the submission is being made in Form InVI.
Name of the Investment Vehicle	Name of the Investment Vehicle receiving Foreign inflow.
Type of investment vehicle	Select the type of the Investment Vehicle from the following drop-down menu: <ul style="list-style-type: none"> • Real estate Investment Trust • Infrastructure Investment Trust • Alternate Investment Fund –I • Alternate Investment Fund-II • Alternate Investment Fund-III • Others (If others is chosen, a separate data entry field will pop-up. Enter the type of Investment Vehicle)
Targeted amount in Rs	The total amount of inflow in Rs, both from Residents as well as Non-Residents, as targeted for the corpus of the Investment Vehicle.
Foreign Inflow details being reported: Amount of foreign inflow being reported in (Rs)	Enter the amount of Foreign Inflow in Rupees being received and being reported in the current return.

Number of foreign investors	Enter the number of foreign investors contributing for the amount received and being reported in the current return.																				
Date of issue of units	Select the date on which the units have been issued for the amount as received and being reported in the current return																				
Number of units issued to the foreign investors	Enter the number of units as issued to the foreign investor for the amount as received and being reported in the current return.																				
Consolidated Foreign Inflow Total amount of foreign inflow so far in Rs	Enter the total amount of foreign inflow as being received in the Investment vehicle till date from all foreign investors.																				
Total number of foreign investors	Enter the total number of foreign investors till date from which the foreign inflow has been received in the Investment vehicle.																				
Total Number of units as issued to the foreign investors so far	Enter the total number of units as issued to all the foreign investors till date.																				
Country wise inflow	<p>Attach a .pdf file (max size 1 MB) with the following details for the country wise inflow for the total foreign inflow as received from various countries:</p> <p>where,</p> <ul style="list-style-type: none"> • Name of the country is the country from which the foreign inflow is received so far. • Number of foreign investors is the number of foreign investors from that country from which the foreign inflow has been received so far. • Amount being reported in the current form in Rs is the amount of foreign inflow country wise as received and being reported in the current return. • Total amount as received so far in Rs is the total amount of foreign inflow so far from the country as received. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Name of the country</th> <th>Number of foreign investors</th> <th>Amount being reported in the current form in Rs</th> <th>Total amount as received so far in Rs</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Name of the country	Number of foreign investors	Amount being reported in the current form in Rs	Total amount as received so far in Rs																
Name of the country	Number of foreign investors	Amount being reported in the current form in Rs	Total amount as received so far in Rs																		

Declaration	<p>Check the Declaration text and attach the declaration in the specified format and submit.</p> <p><u>Declaration text:</u> "<i>I hereby declare that I have verified the information provided in this form and certify that the information provided is true, complete and correct. In case of any discrepancy in the above information, I may be held liable for the same. These declarations and submissions are made in compliance to the Foreign Exchange Management Act, 1999. I hereby attach requisite Declaration and other relevant attachment (s) for this reporting</i>"</p> <p>Check upon completing all details in the form and attach other documents, if any."</p>
-------------	--

NOTE: For the list of documents to be attached along with Form InVi, refer to Annex - III

SHAREHOLDING PATTERN – AN EXPLANATION:

1. Shareholding pattern details are being obtained with the purpose to ensure that the foreign investment in an entity is within the permissible foreign investment limit/ sectoral caps/regulatory limits.
2. In the entity master, the companies and LLPs were instructed to provide the latest shareholding pattern, all-inclusive irrespective whether the same is reported or not reported or acknowledged or not acknowledged.
3. In case where the company or LLP is making a filing in SMF for a past transaction which was not reported earlier, but the same has been included in the shareholding pattern provided in the entity master, at the time of reporting the same in SMF, the shareholding pattern should not change. In such scenarios, the BU, where he is asked to specify “Whether the change in the shareholding pattern due to this transaction being reported has already been accounted in the pre transaction shareholding pattern:” shall select **YES**. This would ensure that the shareholding pattern is not affected.
4. It may be noted that upon successful acknowledgement of the filed forms at AD level, the entity master details are automatically updated with the post shareholding pattern as per the acknowledged form. Therefore, the user shall take due precaution while specifying for this detail.

CONTACT US:

The applicants are advised to contact their AD-Banks first as a primary contact. In case the queries remain unresolved, the applicants may approach the concerned regional office of RBI as per the location of the ROC of the company.

Contact details of RBI's Regional Offices are available at the home page of FIRMS portal.

In case of any further help, applicants may call/ write to the Helpdesk for FIRMS: to receive queries from stakeholders regarding entries to be made in FIRMS.

FIRMS Helpdesk Team

E-mail: helpfirms@rbi.org.in

For technical queries: fedsupport@rbi.org.in

Telephone Number: 022 – 22601000 (Extn: 2617)

ANNEX - I

FORMAT OF COMPANY SECRETARY CERTIFICATE:

The certificate from CA/ CS to be submitted along with forms filed will cover the following:

- i) all the requirements of the Companies Act, 2013/ Limited Liability Partnership Act, 2008/ any relevant rules/ regulations have been complied with.
- ii) appropriate Government approvals, wherever required, have been obtained and the terms and conditions of such government approval, if any, have been complied with.
- iii) the transaction is in compliance with the provisions under Foreign Exchange Management Act, 1999 and/ or the rules and regulations framed, or directions issued thereunder, as amended from time to time and as applicable.
- iv) The company has all certificates (e.g., KYC, FIRC) issued by AD banks evidencing receipt of amount of consideration in accordance with extant rules/ regulations of FEMA, 1999.

ANNEX - II

FORMAT FOR 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 is an 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:

ANNEX - III

- 1) List of mandatory documents while doing Business User registration:**
 - i. **Authorization letter** in the prescribed format as given at **Annex - IV**. It is common for all forms filing in SMF.
 - ii. Attach **PAN card** of the individual registering as a Business User
- 2) List of documents to be submitted along with Form FC-GPR:**
 1. Declaration to be filed by the authorised representative of the Indian company: As per the format at **Annex V**. To be attached as “other attachments”
 2. CS certificate, as applicable: As provided in Annex-I. To be attached as “other attachments”
 3. Valuation certificate: As prescribed and applicable under FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable. To be attached at “Valuation certificate”. For rights issue, valuation certificate is not required. A declaration (plain paper) may be attached that the rights issue to person’s resident outside India is not at a price less than the price offered to persons resident in India. The valuation certificate should not be more than 90 days old as on the date of allotment of shares.
 4. PAS – 3/ Board resolution: Only the relevant extracts. To be attached as “other attachments”
 5. Memorandum of Association: if applicable, relevant extracts to be attached as “other attachment”.
 6. Merger/ Demerger/ Amalgamation: If applicable, relevant extracts to be attached at the specified attachment “relevant approvals from the competent authority”.
 7. For Rights/ Bonus issue: Acknowledgement letter of FC-GPR/FC-TRS, as applicable, of the original investment.
 8. FIRC and KYC: at the specified attachments.

3) List of documents to be attached along with Form FC-TRS:

(A) For Transfer by way of Gift as applicable:

1. Relevant regulatory approvals, wherever applicable, to be attached as “other attachment”.
2. Consent letter: Consent letter between donor and donee for the transfer to be attached as other attachment.
3. Non-resident declaration: As per the format at **Annex VI**, to be attached as “other attachments”
4. Acknowledgement letter of initial allotment, if any.

(B) For transfer by way of sale (Private Arrangement) as applicable:

1. Share Transfer agreement/SH-4: Relevant extracts of the transfer agreement (or SH-4) along with the consent letter between buyer and seller.
2. Valuation Certificate: valuation certificate as per provisions under FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable to be attached at “Transfer agreement/ Valuation certificate”. The valuation certificate shall not be more than 90 days old as on the date of share transfer.
3. Non-resident declaration: As per the format at **Annex VI**, to be attached as “other attachments”
4. In case of sale by a non-resident, acknowledgement of FC-GPR/ FC-TRS as applicable for the Equity instruments being sold, to be attached as “other attachment”.
5. FIRC /Outward remittance certificate and KYC to be attached at the specified attachment.

(C) For transfer by way of sale (On Stock Exchange) as applicable:

1. For sale/ purchase on stock exchange, the contract note may be attached at “Transfer agreement/ Valuation certificate”.
2. Broker’s Note – Date of trade/settlement, No. of shares transferred, Name of Investee Company, Consideration amount should be checked.
3. NR declaration as per **Annex VI**
4. Outward Remittance Certificate.
5. Copy of acknowledgement of FC-GPR/ FC-TRS as applicable for the Equity instruments being sold, to be attached as “other attachment”.

4) Documents to be attached with Form LLP - I:

1. FIRC/ Debit statement and KYC, as applicable, to be attached at the specified attachment.
2. Valuation certificate to be attached at the specified attachment.
3. Declaration and the certificate from the designated partner/ authorized representative in formats as at **Annex VII** and **VIII** respectively to be attached as “other attachment”

5) Documents to be attached with Form LLP-II:

1. FIRC/ Debit statement/ Outward Remittance Certificate and KYC, as applicable to be attached at the specified attachment.
2. Relevant acknowledgement letters for the capital contribution being transferred to be attached as specified.
3. Valuation Certificate to be attached at the specified attachment.
4. Buyer and Seller Consent Letter and Transfer Agreement (relevant extracts) to be attached as “Other attachments”
5. Declaration from the Non-resident transferor/ transferee in the specified format as at **Annex IX** to be attached as “other attachment”

6) Documents to be attached with Form CN:

1. FIRC and KYC.
2. Document evidencing date of issue of Convertible Note.
3. Registration certificate for being a start-up.

7) Documents to be attached with ESOP:

1. Relevant extracts of the ESOP scheme to be attached at the specified attachment.
2. Declaration as in the format specified at **Annex X** to be attached as “Other Attachments”.
3. CS certificate as specified at **Annex-1** to be attached as “other attachments”.
4. Letter of Grant/ Offer – Name of the employee in the letter of grant vis a vis name mentioned in the CS certificate. No of shares and exercise price should also be mentioned.

8) Documents to be attached with Form DI:

1. PAS – 3/SH-4/ Board resolution
2. Shareholder's Resolution, if any
3. Valuation Certificate.
4. Declaration to be filed by the authorised representative of unlisted Indian company:
As per the format at **Annex V**. To be attached as "other attachments".

9) Documents to be attached with Form InVi:

1. Country wise Inflow document – providing the details on amount of inflow, number of investors, and country of investors (as provided in the detailed guidelines for Form InVi).
2. Declaration – to be filed by Authorised representative, as provided at Annex XI for Form InVi in FIRMS Manual.

Annex - IV

LETTER OF AUTHORISATION

**(on the entity's letter head which would be registering
itself as Business User for making filing in SMF-FIRMS)**

*(Where the Business User is filing the SMF in the capacity of an
individual, the authority letter need not be on the Entity's letterhead.*

The Chief General Manager-in-Charge
Foreign Exchange Department
Reserve Bank of India
Regional Office
^-----

Date: ___/___/_____

Dear Sir,

Sub: Letter of Authorization for filing in FIRMS application

We hereby authorize Shri./ Smt./ Ms. _____ (*Name and Designation*) holding Permanent Account Number (PAN) _____ (*copy to be attached*) to register as Business user for submission of returns in Foreign Investment Reporting and Management System (FIRMS) on behalf of our Company/ LLP/ Investment Vehicle named/ as an individual _____, having registered office at _____ (**not applicable for individual**) and PAN _____.

#The CIN/ LLPIN/ SEBI registration number (for Investment vehicle) is _____ /Company/LLP is not required to obtain CIN/LLPIN. (**Not applicable for individual**)

2. We also authorize Shri./ Smt./ Ms. _____ (*Name of Authorized Representative*) to make declarations and to submit documents, wherever required, on our behalf. These declarations and submissions are made towards the requirement of the Foreign Exchange Management Act, 1999 and any other applicable laws that may be in force.

3. We further confirm that we are liable for and bound by all acts of commission and omission by the authorized representative. All acts committed by the above authorized representatives shall be treated as if these acts were committed by the Company/ LLP.

4. The Specimen signature of Shri./ Smt./ Ms. _____ (Authorized representative) is attested below:

(Specimen Signature of authorized representative)

5. Associated bank account of the Entity/ Individual/ Investment Vehicle with the AD-Bank is _____ (A/c no.) and name of the authorised signatory for his account is _____.

6. The specimen signature of the authority signatory is attested below:

(Signature of the authorized signatory for the bank account)

Yours faithfully,

Signature of Managing Director/ Director/ Secretary of the Company/ Designated Partner/ (in case of LLP) Investment manager or Sponsor for Investment vehicle (may self- authorize for individual)

Name:

Designation:

Date:

DIN / Registration Number of Secretary / DPIN of Partners:

Seal of the signing authority:

Strike out whichever is not applicable

^ *Indicate the location of RBI Regional Office*

NOTES:

- i. The format of the authority letter is same for all business user registrations and for all applicants viz., Company, LLP, Individual or Investment Vehicle
- ii. The authority letter for individuals need not be on any letterhead
- iii. CIN/LLPIN is not required for individual or investment vehicle
- iv. This authority letter is for business user registration only. The authority letter for Entity user is different, as specified in user manual for entity master.

Annex - V

FORMAT OF THE DECLARATION

DECLARATION TO BE FILED BY THE AUTHORISED REPRESENTATIVE OF THE INDIAN COMPANY

We hereby declare that:

1. We comply with the procedure for issue of Equity instruments as laid down under FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable.
2. The investment is within the sectoral cap / statutory ceiling permissible under the rules, ibid and in compliance with the attendant conditions.
3. The Equity instruments 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 is duly approved by a court in India. (*Strike- out if not applicable*).
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 these regulations:
 - (i) A certificate from our Company Secretary/ Chartered Accountant, as applicable, in the specified format.
 - (ii) A certificate from SEBI registered Merchant Banker / Chartered Accountant / cost accountant or any other person as authorized under FEMA or the rules and regulations framed or directions issued thereunder as amended from time to time and as applicable indicating the manner of arriving at the price of the shares issued to the persons resident outside India (*wherever applicable*).
 - (iii) All other necessary documents as applicable to the issue.

(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)

Annex - VI

FORMAT FOR DECLARATION BY THE NON-RESIDENT TRANSFEROR/ TRANSFeree:

I/We hereby declare that

- 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 Equity instruments of the company as per provisions under FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable on repatriation/non-repatriation basis.
- iii. I/ We, am/are eligible to acquire the Equity instruments in a company in terms of rules, ibid.
- iv. The investment is within the sectoral cap / statutory ceiling permissible under the rules/regulations, ibid and in compliance with the attendant conditions.

Signature of the Declarant

or his duly authorized agent.

Date: _ _/_ _/_

Annex - VII

FORMAT FOR DECLARATION

DECLARATION TO BE FILED BY THE AUTHORISED REPRESENTATIVE OF THE LLP:

We hereby declare that,

1. We comply with the procedure for receipt of capital contribution as laid down under FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable.
2. The investment is within the sectoral cap / statutory ceiling permissible under the rules/ regulations, ibid and in compliance with the attendant conditions.
3. 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.
4. We enclose the following documents in compliance with these regulations:
 - (i) A certificate from our Authorized Representative as in the specified format.
 - (ii) A certificate from the Chartered Accountant/Cost Accountant/ approved valuer from the panel maintained by the Central Government, indicating the manner of arriving at the fair price of the capital contribution/profit shares issued to the persons resident outside India. *(If applicable)*
 - (iii) All other necessary documents as applicable to the issue.

(Signature of the Applicant) * : _____

(Name in Block Letters) : _____

(Designation of the signatory) : _____

Place: _____

Date: ___ / ___ / ___

(*To be signed by Managing Director/ Director/ Designated Partner/ Authorized Signatory)

Annex - VIII

DESIGNATED PARTNER/ AUTHORISED SIGNATORY OF THE LLP RECEIVING FOREIGN INVESTMENT:

In respect of the details as mentioned as mentioned above, we certify the following:

- (i) all the requirements Limited Liability Act, 2008 have been complied with.
- (ii) terms and conditions of the Government approval, if any, have been complied with.
- (iii) The LLP is eligible to receive foreign investment under FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable.
- (iv) The company/LLP has all certificates issued by authorized dealers in India evidencing receipt of amount of consideration in accordance with FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable.
- (v) The Investment Agreement/ Shareholder Agreement between the investor and the investee LLP is in compliance with the provisions of FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable.

(LLP Seal)

(Name and Signature of the Designated
Partner/ Authorized representative of the LLP)

Annex - IX

FORMAT FOR DECLARATION BY THE NON-RESIDENT TRANSFEROR / TRANSFEREE:

I/ We hereby declare that

- (i) The particulars given above are true and correct to the best of my/our knowledge and belief.
- (ii) (I was)/ (We were) holding the capital contribution/ profit shares in an LLP as per FEMA or the rules and regulations framed or directions issued thereunder as amended from time to time and as applicable I/We, am/are eligible to acquire the capital contribution/profit shares in an LLP in terms of rules/regulations, ibid.
- (iii) The investment is within the sectoral cap / statutory ceiling permissible under the rules/regulations, ibid and in compliance with the attendant conditions.

**Signature of the Declarant
or his duly authorized agent**

Date: ___/___/___

Annex - X

FORMAT FOR DECLARATION

DECLARATION TO BE FILED BY THE AUTHORISED REPRESENTATIVE OF THE INDIAN COMPANY:

We hereby declare that,

1. We comply with the procedure for issue of Equity instruments as laid down under FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable.
2. The investment is within the sectoral cap/ statutory ceiling permissible under the rules/ regulations, ibid and in compliance with the attendant conditions.
3. 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.
4. We enclose the following documents in compliance with these rules/regulations:
 - (i) A certificate from our Company Secretary as in the specified format.
 - (ii) A certificate from SEBI registered Merchant Banker/ Chartered Accountant/ Cost Accountant or any other person as authorised under FEMA or the rules and regulations framed or directions issued thereunder as amended from time to time and as applicable, indicating the manner of arriving at the price of the shares issued to the persons resident outside India (*wherever applicable*)
 - (iii) All other necessary documents as applicable to the issue.

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)

Annex - XI

FORMAT FOR DECLARATION

DECLARATION TO BE FILED BY THE AUTHORISED REPRESENTATIVE OF THE INDIAN COMPANY:

We hereby declare that,

1. We comply with the procedure for receiving foreign inflow as laid down under FEMA or the rules and regulations framed, or directions issued thereunder as amended from time to time and as applicable.
2. The Foreign Inflow is in compliance with Rule 6(c), CHAPTER III of FEM (NDI) Rules, 2019 to be read with Schedule VIII of FEM(NDI) Rules, 2019.
3. 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.

Signature of the Applicant * : _____

Name in Block Letters : _____

Designation of the signatory : _____

Place: _____

Date: _ _ / _ _ / _ _ _ _

* To be signed by Sponsor /Investment Manager of the Investment Vehicle

Annex – XII

MAIL TO BE SENT TO CONCERNED RBI's REGIONAL OFFICE FOR SUBMITTING NEFT/RTGS DETAILS

SUBJECT: NEFT/RTGS Details for LSF payment as advised vide FIRMS email dated dd/mm/yyyy for FIRMS Form Reference No. _____ (Provide Form No.)

Sir/ Madam,

This is with reference to the trailing autogenerated email (*forward LSF autogenerated email in trail*) received from FIRMS advising payment of LSF of ₹__ (*mention LSF amount*).

2. In this regard, it is brought to your notice that the above-mentioned LSF amount has been paid. Transaction details are as below:

FIRMS Form Reference No.:

NEFT/RTGS Transaction No.:

Name of A/c holder:

A/c No.:

IFSC:

Branch Name:

Bank Name:

Date of payment:

3. In view of the above, you are requested to take the aforesaid LSF payment on record.

Regards

XYZ



भारतीय रिज़र्व बैंक
RESERVE BANK OF INDIA



www.rbi.org.in

RBI/FED/2017-18/60

FED Master Direction No.11/2017-18

January 4, 2018

(Updated up to March 17, 2022)

(Updated up to March 08, 2019)

(Updated up to December 19, 2018)

(Updated as on April 06, 2018)

(Updated as on January 12, 2018)

To,

All Authorised Dealer Category – I banks
and Authorised banks

Madam / Sir,

Master Direction – Foreign Investment in India

Foreign Investment in India is regulated in terms of sub-section 2A of Section 6 and Section 47 of the Foreign Exchange Management Act, 1999 (FEMA) read with Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 (NDI Rules) issued vide Gazette Notification No. S.O. 3732(E) dated October 17, 2019. These rules are amended from time to time to incorporate the changes in the regulatory framework and published through gazette notifications.

2. Rule 2(A) of NDI Rules empowers the Reserve Bank of India (RBI) to administer it, and while administering these rules, the RBI may interpret and issue such directions, circulars, instructions, clarifications, as it may deem necessary, for effective implementation of the provisions of these rules.
3. RBI, therefore, issues directions to Authorised Persons under Section 11 of the Foreign Exchange Management Act (FEMA), 1999. This Master Direction lays down the modalities as to how the foreign exchange business has to be conducted by the Authorised Persons with their customers/ constituents with a view to implementing the rules framed.
4. Instructions issued on Foreign Investment in India and its related aspects under the FEMA have been compiled in this Master Direction. The list of underlying circulars/ notifications which form the basis of this Master Direction is furnished in Annex 11.

5. The instructions relating to mode of payment and reporting requirements for investment in India by a person resident outside India are contained in [Foreign Exchange Management \(Mode of Payment and Reporting of Non-Debt Instruments\) Regulations, 2019 \(FEMA 395\)](#). The person/ entity responsible for filing such reports shall be liable for payment of late submission fee for any delays in reporting.
6. It may be noted that, whenever necessary, RBI shall issue directions to Authorised Persons through A.P. (DIR Series) Circulars with regard to interpretations of the NDI Rules or the manner in which relative transactions are to be conducted by the Authorised Persons with their customers/ constituents and/ or amend the Master Direction issued herewith. This Master Direction has been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) read with Rule 2(A) (2) of the NDI Rules and are without prejudice to permissions/ approvals, if any, required under any other law.

Yours faithfully

(Ajay Kumar Misra)
Chief General Manager-in-Charge

Master Direction – Foreign Investment in India

1. Introduction

1.1 The FEMA, 1999 empowers the Central Government to prescribe, in consultation with the RBI, rules pertaining to capital account transactions, not involving debt instruments. The Central Government has, accordingly, notified the NDI Rules on October 17, 2019, in supersession of the [Foreign Exchange Management \(Transfer or Issue of Security by a Person Resident outside India\) Regulations, 2017](#), and the [Foreign Exchange Management \(Acquisition and Transfer of Immovable Property in India\) Regulations, 2018](#).

1.2 Further, in exercise of the powers conferred by Section 47 of FEMA and consequent to the NDI Rules, the RBI issued [Foreign Exchange Management \(Mode of Payment and Reporting of Non-Debt Instruments\) Regulations, 2019 \(FEMA 395\)](#), relating to mode of payment and reporting requirements for investment in India by a person resident outside India.

1.3 The NDI Rules are administered by the RBI and for the effective implementation of the rules, these directions under Sections 10(4) and 11(1) of FEMA and Rule 2(A)(2) of the NDI Rules have been issued. These directions may be referred to for general guidance and should be read in conjunction with the relevant notifications/directions issued under FEMA/ NDI Rules/FEMA 395.

1.4 An investment made by a person resident outside India in accordance with FEMA or the rules or the regulations framed thereunder and held on the date of commencement of NDI Rules i.e. October 17, 2019, shall be deemed to have been made in accordance with NDI Rules and shall accordingly be governed under it.

1.5 In terms of Section 6(5) of FEMA, a person resident outside India may hold, own, transfer or invest in a security in India if such security was acquired, held or owned by such person when he was resident in India or inherited from a person who was resident in India. Such investment will be held by such person on a non-repatriable basis.

2. Key terms

Some key terms used in this Master Direction are given below:

2.1 'Act' is the Foreign Exchange Management Act, 1999 (42 of 1999).

2.2 'Equity Instruments' are equity shares, convertible debentures, preference shares and share warrants issued by an Indian company. The details of what shall construe equity instruments are at para 4 of this Master Direction.

2.3 ‘Convertible Note’ is an instrument issued by a start-up company evidencing receipt of money initially as debt, which is repayable at the option of the holder, or which is convertible into such number of equity shares of such start-up company, within a period not exceeding five years from the date of issue of the convertible note, upon occurrence of specified events as per the other terms and conditions agreed to and indicated in the instrument.

2.4 ‘E-commerce’ is buying and selling of goods and services including digital products over digital & electronic network.

2.4.1 ‘E-commerce entity’ are the following entities conducting the e-commerce business

- a) a company incorporated under the Companies Act, 1956 or the Companies Act, 2013 or
- b) a foreign company covered under section 2 (42) of the Companies Act, 2013 or
- c) an office, branch or agency in India owned or controlled by a person resident outside India and

2.4.2 ‘Inventory based model of e-commerce’ means an e-commerce activity where inventory of goods and services is owned by e-commerce entity and is sold to the consumers directly.

2.4.3 ‘Market place model of e-commerce’ means providing of an information technology platform by an e-commerce entity on a digital & electronic network to act as a facilitator between buyer and seller.

2.4.4 Foreign investment is not permitted in Inventory based model of e-commerce.

2.5 ‘FDI linked performance conditions’ is the sector specific conditions stipulated in Schedule I of the NDI Rules for companies receiving foreign investment.

2.6 ‘Foreign Direct Investment’ (FDI) is the investment through equity instruments by a person resident outside India (a) in an unlisted Indian company; or (b) in 10 percent or more of the post issue paid-up equity capital on a fully diluted basis of a listed Indian company.

2.6.1 If an existing investment by a person resident outside India in equity instruments of a listed Indian company falls to a level below 10 percent of the post issue paid-up equity capital on a fully diluted basis, the investment will continue to be treated as FDI.

2.6.2 Fully diluted basis means the total number of shares that would be outstanding if all possible sources of conversion are exercised.

2.7 'Foreign Portfolio Investment' is any investment made by a person resident outside India in equity instruments where such investment is (a) less than 10 percent of the post issue paid-up equity capital on a fully diluted basis of a listed Indian company or (b) less than 10 percent of the paid-up value of each series of equity instruments of a listed Indian company.

2.8 'Foreign Portfolio Investor (FPI)' is a person registered in accordance with the provisions of Securities Exchange Board of India (SEBI) (Foreign Portfolio Investors) Regulations, 2014, as amended from time to time.

2.8.1 Any Foreign Institutional Investor (FII) or a sub account registered under the Securities Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 and holding a valid certificate of registration from SEBI shall be deemed to be a FPI till the expiry of the block of three years from the enactment of the SEBI (Foreign Portfolio Investors) Regulations, 2014.

2.9 'Foreign Investment' is any investment made by a person resident outside India on a repatriable basis in equity instruments of an Indian company or to the capital of an LLP.

2.9.1 Issue/ transfer of 'participating interest/ right' in oil fields by Indian companies to a person resident outside India would be treated as foreign investment.

2.9.2 If a declaration is made by persons as per the provisions of the Companies Act, 2013 about a beneficial interest being held by a person resident outside India, then even though the investment may be made by a resident Indian citizen, the same shall be counted as foreign investment.

2.9.3 A person resident outside India may hold foreign investment either as Foreign Direct Investment or as Foreign Portfolio Investment in any particular Indian company.

2.10 'Group company' is two or more enterprises which, directly or indirectly, are in a position to (a) exercise 26 percent, or more of voting rights in other enterprise; or (b) appoint more than 50 percent of members of board of directors in the other enterprise.

2.11 'Indian entity' is an Indian company or an LLP.

2.12 'Investment' is to subscribe, acquire, hold or transfer any security or unit issued by a person resident in India.

2.12.1 Investment will include acquisition, holding or transfer of depository receipts issued outside India, the underlying of which is a security issued by a person resident in India.

2.12.2 For the purpose of an LLP, investment shall mean capital contribution or acquisition/ transfer of profit shares.

2.13 'Investment on repatriation basis' is an investment, the sale/ maturity proceeds of which are, net of taxes, eligible to be repatriated and the expression 'Investment on non-repatriation basis', will be construed accordingly.

2.14 'Investment Vehicle' is an entity registered and regulated under relevant regulations framed by SEBI or any other authority designated for the purpose and will be Real Estate Investment Trusts (REITs) governed by the SEBI (REITs) Regulations, 2014, Infrastructure Investment Trusts (InvITs) governed by the SEBI (InvITs) Regulations, 2014 and Alternative Investment Funds (AIFs) governed by the SEBI (AIFs) Regulations, 2012.

2.14.1 A Venture Capital Fund (VCF) established in the form of a trust or a company or a body corporate and registered under the SEBI (Venture Capital Fund) Regulations, 1996 will not be considered as an Investment Vehicle for the purpose of the NDI Rules and this Master Direction.

2.15 'Limited Liability Partnership (LLP)' is a partnership formed and registered under the Limited Liability Partnership Act, 2008.

2.16 'Listed Indian Company' is an Indian company which has any of its equity instruments listed on a recognized stock exchange in India and the expression 'Unlisted Indian Company' shall be construed accordingly

2.17 'Non-Debt Instruments' as determined by Central Government by Gazette Notification S.O. 3722 (E) dated October 16, 2019, means the following instruments; namely: -

- a) all investments in equity instruments in incorporated entities: public, private, listed and unlisted;
- b) capital participation in LLP;
- c) all instruments of investment recognised in the FDI policy notified from time to time;
- d) investment in units of Alternative Investment Funds (AIFs), Real Estate Investment Trust (REITs) and Infrastructure Investment Trusts (InvITs);
- e) investment in units of mutual funds or Exchange-Traded Fund (ETFs) which invest more than fifty per cent in equity;
- f) junior-most layer (i.e. equity tranche) of securitisation structure;
- g) acquisition, sale or dealing directly in immovable property;
- h) contribution to trusts; and
- i) depository receipts issued against equity instruments.

2.18 'Non-Resident Indian (NRI)' is an individual resident outside India who is citizen of India.

2.19 'Overseas Citizen of India (OCI)' is an individual resident outside India who is registered as an Overseas Citizen of India Cardholder under Section 7(A) of the Citizenship Act, 1955.

2.20 'Resident Indian citizen' is an individual who is a person resident in India and is citizen of India by virtue of the Constitution of India or the Citizenship Act, 1955 (57 of 1955).

2.21 'Real estate business' is dealing in land and immovable property with a view to earning profit therefrom and does not include development of townships, construction of residential/ commercial premises, roads or bridges, educational institutions, recreational facilities, city and regional level infrastructure, townships.

Explanation: —

- i) *Investment in units of Real Estate Investment Trusts (REITs) registered and regulated under the SEBI (REITs) regulations 2014 shall also be excluded from the definition of "real estate business".*
- ii) *Earning of rent income on lease of the property, not amounting to transfer, shall not amount to real estate business.*
- iii) *Transfer in relation to real estate includes,*
 - a) *the sale, exchange or relinquishment of the asset; or*
 - b) *the extinguishment of any rights therein; or*
 - c) *the compulsory acquisition thereof under any law; or*
 - d) *any transaction involving the allowing of the possession of any immovable property to be taken or retained in part performance of a contract of the nature referred to in section 53A of the Transfer of Property Act, 1882 (4 of 1882); or*
 - e) *any transaction, by acquiring capital instruments in a company or by way of any agreement or any arrangement or in any other manner whatsoever, which has the effect of transferring, or enabling the enjoyment of, any immovable property.*

Real estate broking services is excluded from the definition of "real estate business" and 100% foreign investment is allowed in real estate broking services under automatic route.

2.22 'Sectoral cap' is the maximum investment including both foreign investment on a repatriation basis by persons resident outside India in equity instruments of a company or the capital of a LLP, as the case may be, and indirect foreign investment, unless provided otherwise. This shall be the composite limit for the investee Indian entity.

2.22.1 FCCBs and DRs having underlying of instruments being in the nature of debt shall not be included in the sectoral cap.

2.22.2 Any equity held by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned under the sectoral cap.

2.23 'Unit' is the beneficial interest of an investor in an investment vehicle.

The words and expressions used but not defined in this Master Direction shall have the same meanings respectively as assigned to them in the Act, Rules and Regulations made thereunder.

3. Prohibited sectors/ persons

3.1 Investment by a person resident outside India is prohibited in the following sectors:

- (1) Lottery Business including Government/ private lottery, online lotteries.
- (2) Gambling and betting including casinos.
- (3) Chit funds
- (4) Nidhi company
- (5) Trading in Transferable Development Rights (TDRs).
- (6) Real Estate Business or Construction of farm houses.

Explanation: For the purpose of this rule, 'real estate business shall not include development of townships, construction of residential or commercial premises, roads or bridges and Real Estate Investment Trusts (REITs) registered and regulated under the SEBI (REITs) Regulations, 2014.

- (7) Manufacturing of Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes.
- (8) Activities/sectors not open to private sector investment viz., (i) Atomic energy and (ii) Railway operations
- (9) Foreign technology collaboration in any form including licensing for franchise, trademark, brand name, management contract is also prohibited for lottery business and gambling and betting activities.

3.2 Investment under Schedule I of NDI Rules by an entity of a country, which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, can invest only under the Government approval route. [Ref: Press Note No. 3 (2020 Series)]

3.3 A person who is a citizen of Pakistan or an entity incorporated in Pakistan can, only with the prior Government approval, invest in sectors/ activities other than defence, space, atomic energy and sectors/ activities prohibited for foreign investment.

3.4 In the event of the transfer of ownership of any existing or future FDI in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the restriction or purview of (3.2) and (3.3) above, such subsequent change in beneficial ownership shall also require government approval.

4. Equity instruments

4.1 An Indian company is permitted to receive foreign investment by issuing equity instruments to the investor. The equity instruments are equity shares, convertible debentures, preference shares and share warrants issued by the Indian company.

4.2 Equity shares: Equity shares are those issued in accordance with the provisions of the Companies Act, 2013 and will include equity shares that have been partly paid.

4.3 Partly paid shares: Partly paid shares issued on or after July 8, 2014 will be considered as equity instruments.

4.3.1 Partly paid shares that have been issued to a person resident outside India should be fully called-up within twelve months of such issue.

4.3.2 Twenty five percent of the total consideration amount (including share premium, if any), has to be received upfront and the balance consideration towards fully-paid equity shares should be received within a period of twelve months from the date of issue of partly-paid shares.

4.3.3 It shall not be necessary for a listed Indian company to receive the balance consideration within 12 months, if it has appointed a monitoring agency in compliance with regulations 41, 82, and 137 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time

4.3.4 In case of an unlisted Indian company too, the balance consideration amount can be received after 12 months, however, the investee company should appoint a monitoring agency on the same lines as required in case of a listed Indian company under the SEBI (ICDR) Regulations. Such monitoring agency (AD Category -1 bank) should report to the investee company as prescribed by the SEBI regulations, *ibid*, for the listed companies.

4.3.5 In case of non-payment of call money, the forfeiture of the amount paid upfront will be in accordance with the provisions of the Companies Act, 2013 and the Income Tax provisions, as applicable.

4.3.6. These conditions shall also be applicable where the person resident outside India acquires partly paid-up shares via transfer.

4.4 Share warrants: Share warrants issued on or after July 8, 2014 will be considered as equity instruments.

4.4.1 Share Warrants are those issued by an Indian Company in accordance with the Regulations issued by the SEBI in this regard.

4.4.2 Pricing or the conversion formula shall be determined upfront. At least twenty five percent of the consideration has to be received upfront and the balance amount within eighteen months of issuance of share warrants. The price at the time of conversion should not be, in any case, lower than the fair value worked out, at the time of issuance of such warrants, in accordance with the extant rules/ regulations and pricing guidelines stipulated from time to time

4.4.3 In case of non-payment of balance consideration, the forfeiture of the amount paid upfront will be in accordance with the provisions of the Companies Act, 2013 and the Income Tax provisions, as applicable.

4.4.4 These conditions shall also be applicable where the person resident outside India acquires share warrants via transfer.

4.5 The deferment of payment of consideration amount by the foreign investors or shortfall in receipt of consideration amount as per applicable pricing guidelines will not be treated as subscription to partly paid shares and warrants.

4.6 Debentures: Debentures which are fully, compulsorily and mandatorily convertible are treated as equity instruments.

4.6.1 Amendment of the tenor of compulsorily and mandatorily convertible debentures shall be in compliance with the Companies Act, 2013.

4.6.2 Debentures which are not fully, compulsorily and mandatorily convertible are debt instruments in terms of the notification no. S.O.3722(E) dated October 16, 2019, issued under sub-section (7) of Section 6 of FEMA. Therefore, issuance of the same are not governed under the NDI Rules.

4.6.3 Optionally convertible/ partially convertible debentures issued up to June 7, 2007 or for which funds were received for such issue prior to June 7, 2007 are deemed to have been issued in accordance with the NDI Rules till their original maturity. Any extension of maturity prior to June 7, 2007, by the company in accordance with the provisions of the Companies Act, 2013, will be considered as original maturity for the purpose of these rules.

4.6.4 Non-convertible/ optionally convertible/ partially convertible debentures, funds for which have been received after June 07, 2007, shall be treated as debt and shall conform to External Commercial Borrowing (ECB) guidelines framed under Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations, 2018, as amended from time to time.

4.7 Preference shares: Preference shares are fully, compulsorily and mandatorily convertible preference shares.

4.7.1 Amendment of the tenor of fully, compulsorily and mandatorily convertible preference shares shall be in compliance with the Companies Act, 2013.

4.7.2 'Preference Shares' which are not fully, compulsorily and mandatorily convertible preference shares are debt instruments in terms of the notification no. S.O.3722(E) dated October 16, 2019, issued under sub-section (7) of Section 6 of FEMA. Therefore, issuance of the same are not governed under the NDI Rules.

4.7.3 Non-convertible/ optionally convertible/ partially convertible preference shares issued up to April 30, 2007 are deemed to have been issued in accordance with NDI Rules till their original maturity. They, however, will continue to be outside the sectoral caps till their original maturity. Any extension of maturity prior to April 30, 2007 will be considered as original maturity.

4.7.4 Non-convertible/ optionally convertible/ partially convertible preference shares funds for which have been received after April 30, 2007 shall be treated as debt and shall conform to guidelines framed under Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations, 2018, as amended from time to time.

4.8 Equity instruments issued on or after December 30, 2013 can contain an optionality clause subject to a minimum lock-in period of one year or as prescribed for the specific sector, whichever is higher, but without any option or right to exit at an assured price.

5. Entry routes and Permitted sectors

5.1 Entry Routes

Foreign investment in the equity instruments of an Indian company can be made through two routes,

5.1.1 Automatic Route is the entry route in which investment by a person resident outside India does not require the prior approval from the Central Government.

5.1.2 Government Route is the entry route in which investment by a person resident outside India requires prior Government approval. Foreign investment received under this route shall be in accordance with the conditions stipulated by the Government in its approval.

5.1.3 'Government approval' means approval from the erstwhile Secretariat for Industrial Assistance (SIA)/ Department of Industrial Policy and Promotion (DIPP), Government of India and/ or the erstwhile Foreign Investment Promotion Board (FIPB) and/ or any of the ministry/ department of the Government of India, as the case may be. The entities may make applications for Government approval on the Foreign Investment Facilitation Portal (FIIP) of Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India.

5.1.4 Aggregate Foreign Portfolio Investment up to forty-nine (49) percent of the paid-up capital on a fully diluted basis or the sectoral or statutory cap, whichever is lower, shall not require Government approval or compliance of sectoral conditions as the case may be, if such investment does not result in transfer of ownership and control of the resident Indian company from resident Indian citizens or transfer of ownership or control to persons resident outside India. Other investments by a person resident outside India shall be subject to conditions of Government approval and compliance of sectoral conditions as laid down in Schedule I of the NDI Rules.

Note: Investment from specified countries are to be in accordance with Paras 3.2, 3.3 and 3.4 of these directions.

5.2 Sectoral caps

It means the maximum permissible foreign investment in an Indian entity, including both foreign investment on a repatriation basis by person residents outside India in equity instruments of a company or the capital of a LLP, as the case may be, and indirect foreign investment, unless provided otherwise

5.2.1 Foreign investment in the sectors/ activities given in Schedule I of the NDI Rules is permitted up to the limit indicated against each sector/ activity, subject to applicable laws/ rules/ regulations, security and other conditionalities.

5.2.2 Sectoral cap for the sectors/ activities is the limit indicated against each sector. The total foreign investment shall not exceed the sectoral/ statutory cap

5.2.3 Foreign investment is permitted up to 100% on the automatic route, subject to applicable laws/rules/regulations, security and other conditionalities, in sectors/ activities not listed in Schedule I of the NDI Rules and not prohibited under Para (2) of Schedule I of the NDI Rules. This condition is not applicable for activities in financial services.

5.2.4 Foreign investment in financial services other than those indicated under serial number "F" of table under Para (3)(b) of Schedule I of the NDI Rules would require prior Government approval.

5.2.5 Wherever there is a requirement of minimum capitalization, it will include premium received along with the face value of the equity instrument. However, it should be received by the company upon issue of such instruments to a person resident outside India. Amount paid by the transferee during post-issue transfer beyond the issue price of the equity instrument cannot be taken into account while calculating minimum capitalization requirement.

5.2.6 Foreign investment in investing companies:

5.2.6.1 Foreign Investment in investing companies not registered as Non-Banking Financial Companies with the RBI and in core investment companies (CICs), both engaged in the activity of investing in the capital of other Indian entities, will require prior Government approval.

5.2.6.2 The core investment companies should additionally comply with the regulatory framework prescribed for such entities as NBFCs under the Reserve Bank of India Act, 1934 and regulations framed thereunder.

5.2.6.3 Foreign investment in investing companies registered as Non-Banking Financial Companies (NBFCs) with the RBI, will be under 100% automatic route.

5.2.7 For undertaking activities which are under automatic route and without FDI linked performance conditions, an Indian company which does not have any operations and also has not made any downstream investment, may receive investment in its equity instruments from persons resident outside India under automatic route. However, Government approval will be required for such companies for undertaking activities which are under Government route. As and when such a company commences business(s) or makes downstream investment, it will have to comply with the relevant sectoral conditions on entry route, conditionalities and caps.

5.2.8 The onus of compliance with the sectoral/ statutory caps on foreign investment and attendant conditions if any, will be on the company receiving foreign investment.

5.2.9 Wherever the person resident outside India who has made foreign investment specifies a particular auditor/ audit firm having international network for the audit of the Indian investee company, then audit of such investee company should be carried out as joint audit wherein one of the auditors is not part of the same network.

6. Permitted Investments by persons resident outside India

Unless otherwise specifically stated, any investment made by a person resident outside India shall be subject to the entry routes, sectoral caps or the investment limits, as the case may be, and the attendant conditionalities for making such investment. A person resident outside India may make investment as stated hereinafter.

6.1 Subscribe/ purchase/ sale of equity instruments of an Indian company is permitted as per the directions laid down in [Annex 1](#).

6.2 Purchase/ sale of equity instruments of a listed Indian company on a recognised stock exchange in India by Foreign Portfolio Investors is permitted as per the directions laid down in [Annex 2](#).

6.3 Purchase/ sale of equity instruments of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is permitted as per the directions laid down in [Annex 3](#).

6.4 Purchase/ sale of equity instruments of an Indian company or Units or contribution to capital of a LLP or a firm or a proprietary concern by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on a Non-Repatriation basis is permitted as per the directions laid down in [Annex 4](#).

6.5 Investment in a Limited Liability Partnership (LLP) is permitted as per the directions laid down in [Annex 5](#).

6.6 Investment by a Foreign Venture Capital Investor (FVCI) is permitted as per the directions laid down in [Annex 6](#).

6.7 Investment in an Investment Vehicle is permitted as per the directions laid down in [Annex 7](#).

6.8 Issue/ transfer of eligible instruments to a foreign depository for the purpose of issuance of depository receipts by eligible person(s) is permitted as per the directions laid down in [Annex 8](#).

6.9 Purchase/ sale of Indian Depository Receipts (IDRs) issued by Companies Resident outside India is permitted as per directions laid down in [Annex 9](#).

6.10 Investment by other non-resident Investors as per the directions laid down in [Annex 10](#)

6.11 Acquisition through rights issue or bonus issue

6.11.1 A person resident outside India having investment in an Indian company is permitted to invest in the equity instruments (other than share warrants) issued by such company as a rights issue or a bonus issue subject to the following conditions:

- (1) The offer made by the Indian company is in compliance with the provisions of the Companies Act, 2013;
- (2) The issue does not result in a breach of the sectoral cap applicable to the company;
- (3) The shareholding on the basis of which the rights issue or the bonus issue has been made must have been acquired and held as per the provisions of NDI Rules;
- (4) The equity instruments (other than share warrants) acquired by the person resident outside India as bonus or rights issue will be subject to the same conditions including restrictions in regard to repatriability as applicable to the original holding against which rights or bonus issue has been made. Further, the nature of investment (FDI or FPI) shall remain the same as that of original investment against which rights were issued;
- (5) In case of a listed Indian company, the rights issued to persons resident outside India shall be at a price determined by the company;
- (6) In case of an unlisted Indian company, the rights issued to persons resident outside India should not be at a price less than the price offered to persons resident in India;
- (7) Such investment made through rights issue or bonus issue is subject to the conditions as are applicable at the time of such issue;

- (8) The amount of consideration may be paid as inward remittance from abroad through banking channels or out of funds held in NRE/ FCNR(B) account maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#);
- (9) If the original investment has been made on a non-repatriation basis, the amount of consideration may also be paid by debit to the NRO account maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).
- (10) Indian company may issue equity instruments under Section 62(1) (a) (iii) of Companies Act, to a person resident outside India (other than an OCB). Such issue shall be subject to the pricing guidelines prescribed under Rule 21 of NDI Rules.

6.11.2 An individual who is a person resident outside India exercising a right which was issued when he/ she was a person resident in India can hold the equity instruments so acquired on exercising the right on a non-repatriation basis.

6.11.3 With effect from November 12, 2002, the Indian investee company could, on an application made to it, allot to existing shareholders who are persons resident outside India additional equity instruments (other than share warrants) as a rights issue over and above their rights entitlement subject to individual or sectoral caps, as the case may be.

6.11.4 Renunciation of rights

- (1) A person resident in India and a person resident outside India may subscribe to additional shares over and above the shares offered on rights basis by the company and also renounce the shares offered either in full or part thereof in favour of a person named by them.
- (2) The facility at para 6.11.3 and para 6.11.4(1) would not be available to investors who have been allotted such shares as Overseas Corporate Bodies (OCBs).
- (3) A person resident outside India who has acquired a right from a person resident in India who has renounced it may acquire equity instruments (other than share warrants) against the said rights as per pricing guidelines specified under Rule 21 of the NDI Rules.
- (4) The equity instruments to be acquired on renunciation of rights shall be subject to the same conditions including restrictions in regard to repatriability as applicable to the original holding against which rights issue has been made.

6.12 Issue of Employees' Stock Options (ESOP) and Sweat Equity Shares

6.12.1 An Indian company is permitted to issue "employees' stock option" and/ or "sweat equity shares" to its employees/ directors or employees/ directors of its holding company or joint venture or wholly owned overseas subsidiary/ subsidiaries who are resident outside India, subject to the following conditions:

- (1) The ESOP is drawn either in terms of regulations issued under the SEBI Act, 1992 or the Companies (Share Capital and Debentures) Rules, 2014 notified by the Central Government under the Companies Act 2013;
- (2) The “employee’s stock option”/ “sweat equity shares” are in compliance with the sectoral cap applicable to the said company;
- (3) Issue of “employee’s stock option”/ “sweat equity shares” in a company where investment by a person resident outside India is under the approval route requires prior Government approval;
- (4) Issue of “employee’s stock option”/ “sweat equity shares” to a citizen of Bangladesh/ Pakistan requires prior Government approval.
- (5) Issue of “sweat equity shares” to a person resident outside India was permitted with effect from June 11, 2015.

6.12.2 An individual who is a person resident outside India exercising an option which was issued when he/ she was a person resident in India shall hold the equity instruments so acquired on exercising the option on a non-repatriation basis.

6.13 Issue of Convertible Notes by an Indian startup company

6.13.1 A person resident outside India (other than an individual who is citizen of Pakistan or Bangladesh or an entity which is registered/ incorporated in Pakistan or Bangladesh), is permitted to invest in convertible notes issued by an Indian startup company for an amount of twenty five lakh rupees or more in a single tranche.

6.13.2 A startup company, engaged in a sector where investment by a person resident outside India requires Government approval, can issue convertible notes to a person resident outside India only with such approval.

6.13.3 Issue of equity shares against such convertible notes should be in compliance with the entry route, sectoral caps, pricing guidelines and other attendant conditions for foreign investment.

6.13.4 The payment consideration can be received by inward remittance through banking channels or by debit to the NRE/ FCNR (B)/ Escrow account maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#). The escrow account maintained for this purpose should be closed immediately after the requirements are completed or within a period of six months, whichever is earlier. Such an escrow account shall not be permitted to continue beyond a period of six months.

6.13.5 An NRI or an OCI may acquire convertible notes on a non-repatriation basis in accordance with the instructions at para 6.4 of the Master Direction.

6.13.6 A person resident outside India can acquire or transfer by way of sale, convertible notes, from or to, a person resident in or outside India, provided the transfer takes place in accordance with the entry routes and pricing guidelines laid down in this Master Direction.

6.13.7 Convertible notes as an investment option was permitted for startup companies with effect from January 10, 2017.

6.13.8 The convertible note may either be converted to equity shares or repaid within 5 years from the date of the issue at the option of the holder. Repayment or sale proceeds may be remitted outside India or credited to NRE/ FCNR (B) account maintained by the person concerned in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#)

6.14 Merger or demerger or amalgamation of Indian companies

6.14.1 In case a Scheme of merger or amalgamation of two or more Indian companies or a reconstruction by way of demerger or otherwise of an Indian company has been approved by the National Company Law Tribunal (NCLT)/ Competent Authority, the transferee company or the new company, as the case may be, can issue equity instruments to the existing holders of the transferor company who are resident outside India, subject to the following conditions:

- (1) The transfer or issue should comply with entry routes, sectoral caps or investment limits, as the case may be, and the attendant conditionalities of foreign investment as well as reporting in form FC-GPR or FC-TRS as the case may be.
- (2) In case the foreign investment is likely to breach the Sectoral caps or the attendant conditionalities, the transferor company or the transferee or the new company should obtain necessary Government approval.
- (3) The transferor company or the transferee company or the new company should not be in a sector prohibited for foreign investment.
- (4) In a scheme of merger or amalgamation of two or more Indian companies or a reconstruction by way of demerger or otherwise of an Indian company, where any of the companies involved is listed on a recognised stock exchange in India, the scheme of arrangement shall be in compliance with the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time.

7. Transfer of equity instruments of an Indian company by or to a person resident outside India

A person resident outside India who has invested in equity instruments of an Indian company or units in accordance with NDI Rules can transfer the equity instruments or units so held subject to the terms and conditions specified in this para.

7.1 Transfer from a person resident outside India by way of sale or gift to any person resident outside India

7.1.1 A person resident outside India, not being a non-resident Indian or an overseas citizen of India or an overseas corporate body, may transfer by way of sale or gift the equity instruments of an Indian company or units held by him to any person resident outside India.

7.1.2 It shall also include transfer of equity instruments of an Indian company pursuant to merger, de-merger and amalgamation of entities/companies incorporated or registered outside India.

7.1.3 Prior Government approval is required to be obtained for any transfer in case the company is engaged in a sector which requires Government approval.

7.1.4 Where the person resident outside India is an FPI and the acquisition of equity instruments made under para 6.2 of this Master Direction has resulted in a breach of the applicable aggregate FPI limits or sectoral limits, the FPI is required to sell such equity instruments within five trading days after settlement to a person resident in India eligible to hold such instruments. The breach of the said aggregate or sectoral limit on account of such acquisition for the period between the acquisition and sale, provided the sale is within the prescribed five trading days after settlement, will not be reckoned as a contravention under NDI Rules. The guidelines issued by SEBI in this regard shall be applicable.

7.2 Transfer by an overseas corporate body (OCB)

An OCB may transfer equity instruments in accordance with the instructions given in the FAQs on de-recognition of OCBs issued vide [AP \(DIR Series\) Circular No.14 dated September 16, 2003.](#)

7.3 Transfer by an NRI/ OCI by way of gift or sale to any person resident outside India

7.3.1 An NRI or an OCI holding equity instruments of an Indian company or units on repatriation basis can transfer the same by way of sale or gift to any person resident outside India.

7.3.2 Prior Government approval is required for any transfer in case the company is engaged in a sector which requires Government approval.

7.3.3 Where the equity instruments acquired by an NRI or an OCI under the provisions of para 6.3 of this Master Direction has resulted in a breach of the applicable aggregate NRI/ OCI limit or sectoral limits, the NRI or the OCI is required to sell the equity instruments so acquired within five trading days after settlement to a person resident in India eligible to hold such instruments. The breach of the said aggregate or sectoral limit, as the case may be, on account of such acquisition for the period between the acquisition and sale, provided the sale is within the

prescribed five trading days after settlement, shall not be reckoned as a contravention under NDI Rules.

7.4 Transfer by a NRI/ OCI holding equity instruments on a non-repatriable basis or a person resident in India by way of sale to any person resident outside India

7.4.1 A person resident in India holding equity instruments of an Indian company or units, or an NRI or an OCI or a company/ trust/ partnership firm incorporated outside India and owned and controlled by NRIs or OCIs holding equity instruments of an Indian company or units on a non-repatriation basis, may transfer the same to a person resident outside India by way of sale, subject to the adherence to entry routes, sectoral caps/ investment limits, pricing guidelines and other attendant conditions as applicable for foreign investment and documentation and reporting requirements for such transfers.

7.4.2 The entry routes, sectoral caps/ investment limits, pricing guidelines and other attendant conditions, however, will not apply in case the transferee is an NRI or an OCI or a company/ trust/ partnership firm incorporated outside India and owned and controlled by NRIs or OCIs acquiring such investment on a non-repatriation basis.

7.5 Transfer by an NRI/ OCI holding equity instruments on a non-repatriable basis by way of gift to another NRI/ OCI who will hold such equity instruments on a non-repatriable basis

7.5.1 An NRI or an OCI or a company/ trust/ partnership firm incorporated outside India and owned and controlled by NRIs or OCIs holding equity instruments of an Indian company or units on a non-repatriation basis, is permitted to transfer the same by way of gift to an NRI or an OCI or a company/ trust/ partnership firm incorporated outside India and owned and controlled by NRIs or OCIs and the the transferee shall hold them on a non-repatriable basis.

7.6 Transfer by person resident outside India to person resident in India or sale on recognised stock exchange in India

7.6.1 A person resident outside India, holding equity instruments of an Indian company or units in accordance with NDI Rules is permitted to transfer the same to a person resident in India by way of sale/ gift or may sell the same on a recognised stock exchange in India in the manner prescribed by SEBI.

7.6.2 The transfer by way of sale is required to be in compliance with and is subject to the adherence to pricing guidelines, documentation and reporting requirements prescribed for such transfers.

7.6.3 Where the equity instruments are held by the person resident outside India on a non-repatriable basis, conditions at 7.6.2 above will not apply.

7.7 Transfer by way of gift by an NRI/ OCI holding securities on a non-repatriable basis or a resident to a person resident outside India

7.7.1 An NRI or an OCI holding securities of an Indian company on a non-repatriation basis or a person resident in India may transfer the securities so held by them to a person resident outside India by way of gift with the prior approval of the RBI and subject to the following conditions:

- (a) The donee is eligible to hold the securities under NDI Rules;
- (b) The gift does not exceed 5 percent of the paid up capital of the Indian company/ each series of debentures/ each mutual fund scheme; this limit is a cumulative limit for a donor to one particular donee.
- (c) The applicable sectoral cap in the Indian company is not breached;
- (d) The donor and the donee are relatives as defined in section 2(77) of the Companies Act, 2013;
- (e) The value of security to be transferred by the donor together with any security transferred to any person residing outside India as gift during the financial year does not exceed the rupee equivalent of USD 50,000;
- (f) The application shall be made through an Authorised Dealer bank to the Regional Office concerned of the RBI under whose jurisdiction the Registered office of the company operates.

7.8 Transfer by a person resident outside India of equity instruments containing an optionality clause

7.8.1 A person resident outside India holding equity instruments of an Indian company containing an optionality clause in accordance with NDI Rules and exercising the option/ right, can exit without any assured return, subject to the pricing guidelines prescribed under NDI Rules and a minimum lock-in period of one year or minimum lock-in period under NDI Rules, whichever is higher.

7.9 Deferred payment consideration

7.9.1 In case of transfer of equity instruments between a person resident in India and a person resident outside India, an amount not exceeding twenty five per cent of the total consideration,

- (a) can be paid by the buyer on a deferred basis within a period not exceeding eighteen months from the date of the transfer agreement; or
- (b) can be settled through an escrow arrangement between the buyer and the seller for a period not exceeding eighteen months from the date of the transfer agreement; or
- (c) can be indemnified by the seller for a period not exceeding eighteen months from the date of the payment of the full consideration, if the total consideration has been paid by the buyer to the seller.

7.9.2 The total consideration finally paid for the shares must be compliant with the applicable pricing guidelines.

7.10 Opening of Escrow account

7.10.1 In case of transfer of equity instruments between a person resident in India and a person resident outside India, the person resident outside India is permitted to open an Escrow account in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

7.10.2 Such Escrow account can be funded by way of inward remittance through banking channels and/ or by way of guarantee issued by an authorized dealer bank, subject to terms and conditions as specified in the [Foreign Exchange Management \(Guarantees\) Regulations, 2000](#).

7.10.3 Where the transaction is governed by SEBI guidelines/ regulations, operation of the Escrow accounts for securities shall be in accordance with the relevant SEBI regulations, if any.

7.11 Transfer by way of pledge

7.11.1 Any person being a promoter of a company registered in India (borrowing company), which has raised external commercial borrowing (ECB) in compliance with the Foreign Exchange Management (Borrowing and Lending in Foreign Exchange) Regulations, 2000 may pledge the equity instruments of the borrowing company or that of its associate resident companies for the purpose of securing the ECB raised by the borrowing company subject to the following conditions:

- (a) the period of such pledge shall be co-terminus with the maturity of the underlying ECB;
- (b) in case of invocation of pledge, transfer shall be in accordance with rules laid down in NDI Rules;
- (c) the Statutory Auditor has certified that the borrowing company will utilise/ has utilised the proceeds of the ECB for the permitted end-use/s only;
- (d) no person shall pledge any such equity instruments unless a no-objection has been obtained from an Authorised Dealer bank that the above conditions have been complied with.

7.11.2 Any person resident outside India holding equity instruments in an Indian company or units may pledge the equity instruments or units, as the case may be:

- (a) In favour of a bank in India to secure the credit facilities being extended to such Indian company for bona-fide purposes subject to the following conditions:
 - (i) in case of invocation of pledge, transfer should be in accordance with instructions in vogue at the time of creation of pledge;
 - (ii) submission of a declaration/ annual certificate from the statutory auditor of the investee company that the loan proceeds will be/ have been utilized for the declared purpose;

- (iii) the Indian company has to follow the relevant SEBI disclosure norms, if any; and
 - (iv) pledge in favour of the lender (bank) would be subject to compliance with the Section 19 of the Banking Regulation Act, 1949.
 - (v) the conditions at (i) to (iv) above will apply suitably for units.
- (b) In favour of an overseas bank to secure the credit facilities being extended to such person or a person resident outside India who is the promoter of such Indian company or the overseas group company of such Indian company, subject to the following conditions:
- (i) loan is availed only from an overseas bank;
 - (ii) loan is utilized for genuine business purposes overseas and not for any investments either directly or indirectly in India;
 - (iii) overseas investment should not result in any capital inflow into India;
 - (iv) in case of invocation of pledge, transfer should be in accordance with the policy in vogue at the time of creation of pledge; and
 - (v) submission of a declaration/ annual certificate from a Chartered Accountant/ Certified Public Accountant of the non-resident borrower that the loan proceeds will be/ have been utilized for the declared purpose;
 - (vi) the conditions at (i) to (v) above will apply suitably for units.
- (c) In favour of a Non-Banking Financial Company registered with the RBI to secure the credit facilities being extended to such Indian company for bona fide purposes, subject to the following conditions:
- (i) in case of invocation of pledge, transfer of equity instruments should be in accordance with the credit concentration norm as stated in the [Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Drop taking Company \(Reserve Bank\) Directions, 2016](#) (Para 22) and [Master Direction – Non-Banking Financial Company - Systemically Important Non-Drop taking Company and Deposit taking Company \(Reserve Bank\) Directions, 2016](#) (Para 22)
 - (ii) The AD may obtain a board resolution 'ex ante', passed by the Board of Directors of the investee company, that the loan proceeds received consequent to pledge of equity instruments will be utilised by the investee company for the declared purpose;
 - (iii) the AD may also obtain a certificate 'ex post', from the statutory auditor of investee company, that the loan proceeds received consequent to pledge of shares, have been utilised by the investee company for the declared purpose;
 - (iv) the Indian company has to follow the relevant SEBI disclosure norms, as applicable;

(v) under no circumstances, the credit concentration norms should be breached by the NBFC. If there is a breach on invocation of pledge, the equity instruments should be sold and the breach shall be rectified within a period of 30 days from the date of invocation of pledge.

7.11.2.1 The Authorised Dealer bank should satisfy itself of the compliance of the stipulated conditions.

- a) Equity instruments of an Indian company or units transferred by way of pledge should be unencumbered.
- b) The company shall obtain no-objection certificate from the existing lenders, if any.
- c) In case of invocation of pledge, transfer of equity instruments of an Indian company or units pledged shall be in accordance with entry routes, sectoral caps/ investment limits, pricing guidelines and other attendant conditions at the time of creation of pledge.

7.11.3 Any other transfer by way of pledge would require the prior approval of the RBI. Cases may be forwarded to the RBI with the following documents:

- (a) A copy of the Board Resolution passed by the non-resident company/ies approving the pledge of security acquired in terms of NDI Rules (number/ percentage of securities to be pledged) of Investee Company held by them for securing the loan facility in favour of the lender/s.
- (b) A copy of the Board Resolution passed by the investee company approving pledge of securities acquired in terms of NDI Rules in favour of the lender for the loan facility availed by the investee company.
- (c) A copy of the loan agreement/ pledge agreement containing security clause duly certified by the company secretary, requiring the pledge of shares of Investee Company.
- (d) The details of the facility availed/ proposed to be availed.
- (e) The details of reporting of the acquisition of the security as prescribed in terms of NDI Rules, if any.

7.12. Transfer from a resident to a person resident outside India where the investee company is in the financial sector

In case of transfer of equity instruments of a company in the financial sector from a resident to a person resident outside India, 'fit and proper/ due diligence' requirement as regards the non-resident investor as stipulated by the respective financial sector regulator shall have to be complied with by the AD bank.

7.13 Mode of payment

7.13.1 The amount of consideration for transfer of equity instruments between a person resident in India and a person resident outside India should be received from abroad or remitted from India, as the case may be, through banking channels in India or paid out from or received in, as the case may be, NRE/ FCNR(B)/ Escrow accounts maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

7.13.2 In case an investment is held on a non-repatriation basis, in addition to 7.13.1 above, the amount of consideration for transfer may be paid out from or received in, as the case may be, NRO account maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

8. Pricing guidelines

8.1 Equity instruments issued by a company to a person resident outside India

8.1.1 The price of equity instruments of an Indian company issued by it to a person resident outside India should not be less than:

- (a) the price worked out in accordance with the relevant SEBI guidelines in case of a listed Indian company or in case of a company going through a delisting process as per the SEBI (Delisting of Equity Shares) Regulations, 2009; or
- (b) the valuation of equity instruments done as per any internationally accepted pricing methodology for valuation on an arm's length basis duly certified by a Chartered Accountant or a SEBI registered Merchant Banker or a practicing Cost Accountant, in case of an unlisted Indian Company.

8.1.2 In case of convertible equity instruments, the price/ conversion formula of the instrument is required to be determined upfront at the time of issue of the instrument. The price at the time of conversion should not in any case be lower than the fair value worked out, at the time of issuance of such instruments, in accordance with the extant FEMA rules.

8.2 Equity instruments transferred by a person resident in India to a person resident outside India

The price of equity instruments of an Indian company transferred by a person resident in India to a person resident outside India should not be less than:

- (a) the price worked out in accordance with the relevant SEBI guidelines in case of a listed Indian company; or
- (b) the price at which a preferential allotment of shares can be made under the SEBI Guidelines, as applicable, in case of a listed Indian company or in case of a company going through a delisting process as per the SEBI (Delisting of Equity Shares) Regulations, 2009. The price should be determined for such duration as specified in the SEBI Guidelines, preceding the relevant date, which shall be the date of purchase or sale of shares. In case of a company

- which has completed a delisting process, the price as determined for such duration as specified in the SEBI Guidelines will apply for those shares which have not been tendered to the company during the delisting process; or
- (c) the valuation of equity instruments done as per any internationally accepted pricing methodology for valuation on an arm's length basis duly certified by a Chartered Accountant or a SEBI registered Merchant Banker or a practicing Cost Accountant, in case of an unlisted Indian Company.

8.3 Equity instruments transferred by a person resident outside India to a person resident in India

8.3.1 The price of equity instruments of an Indian company transferred by a person resident outside India to a person resident in India should not exceed:

- (a) the price worked out in accordance with the relevant SEBI guidelines in case of a listed Indian company;
- (b) the price at which a preferential allotment of shares can be made under the SEBI Guidelines, as applicable, in case of a listed Indian company or in case of a company going through a delisting process as per the SEBI (Delisting of Equity Shares) Regulations, 2009. The price is determined for such duration as specified in the SEBI Guidelines, preceding the relevant date, which shall be the date of purchase or sale of shares;
- (c) the valuation of equity instruments done as per any internationally accepted pricing methodology for valuation on an arm's length basis duly certified by a Chartered Accountant or a SEBI registered Merchant Banker or a practicing Cost Accountant, in case of an unlisted Indian Company.

8.3.2 The guiding principle would be that the person resident outside India is not guaranteed any assured exit price at the time of making such investment/ agreement and shall exit at the price prevailing at the time of exit.

8.4 Swap of equity instruments

In case of swap of equity instruments, irrespective of the amount, valuation will have to be made by a Merchant Banker registered with SEBI or an Investment Banker outside India registered with the appropriate regulatory authority in the host country.

8.5 Subscription to Memorandum of Association

Where shares in an Indian company are issued to a person resident outside India in compliance with the provisions of the Companies Act, 2013, by way of subscription to Memorandum of Association, such investments shall be made at face value subject to entry route and sectoral caps.

8.6 Partly paid shares

The pricing of the partly paid equity shares shall be determined upfront.

8.7 Share warrants

8.7.1 In case of share warrants, their pricing and the price/ conversion formula shall be determined upfront.

8.7.2 The price at the time of conversion should not in any case be lower than the fair value worked out, at the time of issuance of such warrants.

8.8 Investment in an LLP

Investment in an LLP either by way of capital contribution or by way of acquisition/ transfer of profit shares, should not be less than the fair price worked out as per any valuation norm which is internationally accepted/ adopted as per market practice (hereinafter referred to as "fair price of capital contribution/ profit share of an LLP") and a valuation certificate to that effect should be issued by a Chartered Accountant or by a practicing Cost Accountant or by an approved valuer from the panel maintained by the Central Government.

8.9 Transfer of capital contribution/ profit share of an LLP

8.9.1 In case of transfer of capital contribution/ profit share of an LLP from a person resident in India to a person resident outside India, the transfer should be for a consideration not less than the fair price of capital contribution/ profit share of an LLP.

8.9.2 In case of transfer of capital contribution/ profit share of an LLP from a person resident outside India to a person resident in India, the transfer should be for a consideration which is not more than the fair price of the capital contribution/ profit share of an LLP.

8.10 Non-applicability of pricing guidelines

8.10.1 The pricing guidelines will not apply for investment in equity instruments by a person resident outside India on non-repatriation basis.

8.10.2 The pricing guidelines will not be applicable for any transfer by way of sale done in accordance with SEBI regulations where the pricing is prescribed by SEBI. A Chartered Accountant's Certificate to the effect that relevant SEBI regulations/ guidelines have been complied with has to be attached to the form FC-TRS filed with the AD bank.

8.10.3 The valuation certificate issued by a Chartered Accountant or a SEBI registered Merchant Banker or a practicing Cost Accountant must not be more than ninety days old as on the date of the transfer.

9. Downstream Investment

The underlying principle of the downstream investment guidelines is that "what cannot be done directly shall not be done indirectly". Accordingly, downstream investments which are treated as indirect foreign investment are subject to the entry

routes, sectoral caps or the investment limits, as the case may be, pricing guidelines, and the attendant conditionalities for such investment as laid down in the NDI Rules.

9.1 Definitions

9.1.1 'Ownership of an Indian company' is the beneficial holding of more than 50 percent of the equity instruments of such company.

9.1.2 'Ownership of an LLP' is the contribution of more than 50 percent in its capital and having majority profit share.

9.1.3 'Company owned by resident Indian citizens' is an Indian company where ownership is vested in resident Indian citizens and/ or Indian companies, which are ultimately owned and controlled by resident Indian citizens.

9.1.4 An 'LLP owned by resident Indian citizens' is an LLP where ownership is vested in resident Indian citizens and/ or Indian entities, which are ultimately owned and controlled by resident Indian citizens.

9.1.5 'Company owned by persons resident outside India' is an Indian company whose ownership is vested in persons resident outside India.

9.1.6 An 'LLP owned by persons resident outside India' is an LLP whose ownership is vested with persons resident outside India.

9.1.7 'Control' of a company is the right to appoint majority of the directors or to control the management or policy decisions including by virtue of their shareholding or management rights or shareholders agreement or voting agreement.

9.1.8 For the purpose of LLP, 'Control' is the right to appoint majority of the designated partners, where such designated partners, with specific exclusion to others, have control over all the policies of an LLP.

9.1.9 'Company controlled by resident Indian citizens' is an Indian company, the control of which is vested in resident Indian citizens and/ or Indian companies which are ultimately owned and controlled by resident Indian citizens.

9.1.10 An 'LLP controlled by resident Indian citizens' is an LLP, the control of which is vested in resident Indian citizens and/ or Indian entities, which are ultimately owned and controlled by resident Indian citizens.

9.1.11 'Company controlled by persons resident outside India' is an Indian company the control of which is vested with persons resident outside India.

9.1.12 An 'LLP controlled by persons resident outside India' is an LLP the control of which is vested with persons resident outside India.

9.1.13 'Downstream Investment' is investment made by an Indian entity which has received foreign investment or an Investment Vehicle in the equity instruments or the capital, as the case may be, of another Indian entity.

9.1.14 'Holding Company' will have the same meaning as defined in Companies Act, 2013.

9.1.15 'Indirect Foreign Investment' is downstream investment received by an Indian entity from:

- (a) another Indian entity (IE) which has received foreign investment and which is not owned and not controlled by resident Indian citizens or is owned or controlled by persons resident outside India; or
- (b) an investment vehicle whose sponsor or manager or investment manager is not owned and not controlled by resident Indian citizens or is owned or controlled by persons resident outside India. If sponsor or manager or investment manager is organised in a form other than companies or LLPs, SEBI shall determine whether the sponsor or manager or investment manager is foreign owned and controlled.

[Explanation 1: For cases where the original investment made in the investee entity was made as a resident but later the investor entity becomes owned and/or controlled by persons resident outside, the same shall be reckoned as downstream investment from the date on which the investor entity is owned and/or controlled by persons resident outside India. Such downstream investment shall be in compliance with the applicable entry route and sectoral cap]

[Explanation 2: The NRI investments on non-repatriation basis is treated as deemed domestic investment. 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.

9.1.16 'Total Foreign Investment' is the sum of foreign investment and indirect foreign investment which will be reckoned on a fully diluted basis;

9.1.17 'Strategic downstream investment' means downstream investment by banking companies incorporated in India in their subsidiaries, joint ventures and associates.

9.2 Prohibition

9.2.1 No person resident in India other than an Indian entity can receive Indirect Foreign Investment.

9.3 Conditions for downstream investment that is treated as Indirect Foreign Investment for the investee Indian Entity

9.3.1 An Indian entity which has received indirect foreign investment is required to comply with the entry route, sectoral caps, pricing guidelines and other FDI linked performance conditions as applicable for foreign investment.

9.3.2 Downstream investment by an LLP which has received foreign investment and is not owned and not controlled by resident Indian citizens or owned or controlled by persons resident outside India is allowed in an Indian company operating in sectors

where foreign investment up to 100 percent is permitted under automatic route and there are no FDI linked performance conditions.

9.3.3 Indirect foreign Investment is permitted in an LLP in sectors where foreign investment is allowed 100% under automatic route and there are no FDI linked performance conditions.

9.3.4 If the sponsors/ managers/ investment managers of an investment vehicle are individuals, for the downstream investment made by such investment vehicle not to be considered as Indirect Foreign Investment for the investee, the sponsors/ managers/ investment managers of the investment vehicle should be resident Indian citizens. In case the sponsor/ manager/ investment manager is organised in any other form, SEBI will determine whether it is foreign owned and/ or controlled or not.

9.3.5 The downstream investment that is treated as Indirect Foreign Investment for the investee Indian entity should have the approval of the Board of Directors as also a Shareholders' Agreement, if any, of the investing Indian entity.

9.3.6 The Indian entity making the downstream investment that is treated as Indirect Foreign Investment for the investee Indian entity is required to bring in the requisite funds from abroad and not use funds borrowed in the domestic markets. Subscription by persons resident outside India to non-convertible debentures issued by an Indian company will not be construed as funds borrowed/ leveraged in the domestic market. However, raising of debt and its utilisation will have to comply with the Act and the rules or regulations made thereunder.

9.3.7 Downstream investments which is treated as Indirect Foreign Investment for the investee Indian entity can be made through internal accruals. For this purpose, internal accruals will mean profits transferred to reserve account after payment of taxes.

9.3.8 When a company which does not have any operations makes downstream investment which is treated as Indirect Foreign Investment for the investee Indian entity or commences business(s), it will have to comply with the relevant sectoral conditions on entry route, conditionalities and caps.

9.4 Downstream investment/s under Corporate Debt Restructuring (CDR), mechanism

9.4.1 With effect from July 31, 2012, downstream investment/s made by a banking company (as defined in clause (c) of section 5 of the Banking Regulation Act, 1949, incorporated in India) which is not owned and not controlled by resident Indian citizens or is owned or controlled by persons resident outside India, under Corporate Debt Restructuring (CDR), or other loan restructuring mechanism, or in trading book, or for acquisition of shares due to defaults in loans, will not be considered as indirect foreign investment.

9.4.2 Strategic downstream investment by a banking company referred to at 9.4.1 above will be considered as indirect foreign investment for the investee company.

9.5. Guidelines for calculation of total foreign investment in Indian companies

9.5.1 Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned for total foreign investment.

9.5.2 FCCBs and DRs having underlying instruments in the nature of debt will not be reckoned for total foreign investment.

9.5.3 The methodology for calculating total foreign investment would apply at every stage of investment in Indian companies and thus in each and every Indian company.

9.5.4 For the purpose of downstream investment, the portfolio investment held as on March 31 of the previous financial year in the Indian company making the downstream investment will be considered for computing the total foreign investment of the investee Indian entity.

9.5.5 The indirect foreign investment received by a wholly owned subsidiary of an Indian company will be limited to the total foreign investment received by the company making the downstream investment

9.6 Conditions for exit

9.6.1 Equity instrument of an Indian company held by another Indian company which has received foreign investment and is not owned and not controlled by resident Indian citizens or is owned or controlled by persons resident outside India may be transferred to:

- (a) a person resident outside India, subject to reporting requirements in Form FCTRS. However, pricing guidelines will not apply for such a transfer.
- (b) a person resident in India subject to adherence to pricing guidelines.
- (c) an Indian company with foreign investment and not owned and not controlled by resident Indian citizens or owned or controlled by persons resident outside India. Pricing and reporting guidelines will not apply.

9.6.2 The instructions at 9.6.1 above will be construed accordingly for an LLP.

9.7 Responsibility for compliance

9.7.1 The first level Indian company making downstream investment will be responsible for ensuring compliance with the provisions of these rules for the downstream investment made by it at second level and so on and so forth. Such first level company shall obtain a certificate to this effect from its statutory auditor on an annual basis. Such compliance of FEMA provisions shall be mentioned in the Director's report in the Annual Report of the Indian company.

9.7.2 In case the statutory auditor has given a qualified report, the same should be immediately brought to the notice of the Regional Office of the RBI in whose jurisdiction the Registered Office of the company is located and shall also obtain acknowledgement from the RO.

9.7.3 The instructions at 9.7.1 above will be construed accordingly for an LLP

9.8 Applicability of downstream investment guidelines

9.8.1 Downstream investment which is treated as indirect foreign investment for the investee Indian entity made prior to February 13, 2009 would not require any modification to conform to NDI Rules. All other investments, after the said date, would come under its ambit.

9.8.2 Downstream investments which is treated as indirect foreign investment for the investee Indian entity made between February 13, 2009 and June 21, 2013 which was not in conformity with the downstream investment guidelines should have been intimated to the RBI by October 3, 2013 for treating such cases as compliant with NDI Rules.

10. Taxes and remittance of sale proceeds

10.1 Taxes

10.1.1 All transaction relating to foreign investment in India are required to be undertaken through banking channels in India and are subject to payment of applicable taxes and other duties/ levies in India.

10.2 Remittance of sale proceeds

10.2.1 Remittance of sale proceeds of an Indian security held by a person resident outside India will have to be made only in accordance with NDI Rules.

10.2.2 An authorised dealer bank may permit the remittance of sale proceeds of a security (net of applicable taxes) to the seller resident outside India provided:

- (a) the security was held by the seller on repatriation basis; and
- (b) either the security has been sold in compliance with the pricing guidelines or the RBI's approval has been obtained in other cases for sale of the security and remittance of the sale proceeds thereof.

Annex 1

Purchase/ Sale of equity instruments of an Indian company by a person resident outside India

1. Purchase/ sale of equity instruments of an Indian company by a person resident outside India

1.1 Issue by an Indian company

An Indian company is permitted to issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditionalities specified for foreign investment;

1.2 Purchase on a stock exchange in India

A person resident outside India may purchase equity instruments of a listed Indian company on a stock exchange in India provided:

- (a) The person resident outside India making the investment has already acquired control of such company in accordance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and continues to hold such control;
- (b) The amount of consideration is paid as per the mode of payment prescribed in this annex or out of the dividend payable by the Indian investee company in which the person resident outside India has acquired and continues to hold control in accordance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, provided the right to receive dividend is established and the dividend amount has been credited to an SNRR account opened in terms of [Foreign Exchange Management \(Deposit\) Regulations, 2016](#) for acquisition of shares on the recognised stock exchange.

1.3 Issue by a wholly owned subsidiary

1.3.1 A wholly owned subsidiary set up in India by a non-resident entity, operating in a sector where 100 percent foreign investment is allowed under the automatic route and there are no FDI linked performance conditions, may issue equity instruments to the said non-resident entity against pre-incorporation/ preoperative expenses incurred by the said non-resident entity up to a limit of five per cent of its authorised capital (as defined in the Companies Act, 2013) or USD 500,000 whichever is less, subject to the following conditions:

- (a) Form FC-GPR, as prescribed in the Master Direction on Reporting as amended from time to time, is filed by the Indian company within thirty days from the date of issue of equity instruments but not later than one year from the date of incorporation.
- (b) A certificate issued by the statutory auditor of the Indian company that the amount of pre-incorporation/ pre-operative expenses against which equity

instruments have been issued has been utilized for the purpose for which it was received should be submitted with the Form FC-GPR.

1.3.2 Pre-incorporation/ pre-operative expenses will include amounts remitted to the investee Company's account or to the investor's account in India if it exists or to any consultant or attorney or to any other material/ service provider for expenditure relating to incorporation or necessary for commencement of operations.

1.4 Other modes of issue

1.4.1 An Indian company may issue equity shares (excluding partly paid shares) to a person resident outside India against any funds payable by it to such person, the remittance of which is permitted under the Act or the rules or the regulations framed or directions issued thereunder or does not require prior permission of the Central Government or the RBI under the Act or the rules or the regulations framed or directions issued thereunder subject to the following conditions:

- (a) Issue of such shares that require Government approval or import dues deemed as ECB or trade credit or payables against import of second hand machinery will be dealt in accordance with respective guidelines;
- (b) The issue of such shares under this provision shall be subject to tax laws as applicable to the funds payable and the conversion to equity should be net of applicable taxes

1.4.2 An Indian company may issue equity shares (other than partly paid shares) to a person resident outside India against any funds payable by it to such person, the remittance of which has been permitted by the RBI under the Act or the rules or the regulations framed or directions issued thereunder.

1.4.3 In case where permission has been granted by the RBI for making remittance as stated at 1.4.2 above, the Indian company may issue equity shares (other than partly paid shares) against such remittance provided all regulatory actions with respect to the delay or contravention under the Act or the rules or the regulations framed thereunder have been completed.

1.4.4 An Indian company may issue equity instruments to a person resident outside India under automatic route if the Indian investee company is engaged in a sector under automatic route or with prior Government approval if the Indian investee company is engaged in a sector under Government route against:

- (a) Swap of equity instruments;
- (b) Import of capital goods/ machinery/ equipment (excluding second-hand machinery) subject to the following conditions:
 - (i) The import of capital goods, machineries, etc., made by a person resident in India, is in accordance with the Foreign Trade Policy notified by the Directorate General of Foreign Trade (DGFT) and the regulations on imports issued under the Act;
 - (ii) There is an independent valuation of the capital goods/ machineries/ equipment by a third party entity, preferably an independent valuer from

- the country of import along with production of copies of documents/ certificates issued by the customs authorities towards assessment of the fair-value of such imports;
- (iii) In case of applications submitted for Government approval:
 - a) The applications should be accompanied by documents evidencing 1.4.4(b)(ii) above and a special resolution of the company;
 - b) The application should clearly indicate the beneficial ownership and identity of the importer company as well as the overseas entity; and
 - c) Applications (complete in all respects) for capitalization should be submitted within 180 days from the date of shipment of goods.
 - (c) Pre-operative/ pre-incorporation expenses (including payments of rent etc.), subject to the following conditions:
 - (i) Verification and certification of the pre-incorporation/ pre-operative expenses by the statutory auditor;
 - (ii) Submission of FIRC for remittance of funds by the overseas promoters for the expenditure incurred;
 - (iii) Payments should be made by the foreign investor to the company directly or through the bank account opened by the foreign investor as provided under the Act or the rules or the regulations framed thereunder; and
 - (iv) In case of applications submitted for Government approval:
 - a) The applications should be accompanied by documents evidencing 1.4.4(c)(i), (ii) and (iii) above and a special resolution of the company.
 - b) The application (complete in all respects) for capitalization being made within a period of 180 days from the date of incorporation of the company.

2. Mode of payment, issue of equity instruments and refund

2.1 The amount of consideration should be paid as inward remittance from abroad through banking channels or out of funds held in NRE/ FCNR(B)/ Escrow account maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

2.2 The amount of consideration will include issue of equity shares by an Indian company against any funds payable by it to the investor and also swap of equity instruments where the Indian investee company is engaged in an automatic route sector.

2.3 If the equity instruments are not issued by the Indian company within sixty days from the date of receipt of the consideration, the amount so received has to be refunded to the person concerned by outward remittance through banking channels or by credit to his NRE/ FCNR(B) accounts, as the case may be, within fifteen days from the date of completion of sixty days.

2.4 In case of partly paid equity shares, the period of 60 days will be reckoned from the date of receipt of each call payment. The forfeiture of the amount paid upfront on non-payment of call money shall be in accordance with the provisions of the Companies Act, 2013 and Income Tax Act, 1961 as applicable

2.5 Refund may be permitted by an authorised dealer provided it is satisfied:

- (a) with the bonafides of the applicant;
- (b) that the funds were received as per the mode of payment prescribed in para 2.1 above;
- (c) that no part of remittance represents interest on the funds received.

2.6 Prior approval of the RBI will be required for payment of interest, if any, as laid down in the Companies Act, 2013, for delay in refund of the amount so received. Non-compliance of instructions at 2.3 above shall be a contravention of NDI Rules notwithstanding the fact that interest for delayed refund has been paid as per Companies Act, 2013.

2.7 The Indian company issuing equity instruments stated in this annex is permitted to open a foreign currency account with an Authorised Dealer in India in accordance with [Foreign Exchange Management \(Foreign currency accounts by a person resident in India\) Regulations, 2015.](#)

3. Remittance of sale proceeds

3.1 The sale proceeds (net of taxes) of the equity instruments can be remitted outside India or credited to the NRE/ FCNR(B) account of the person concerned.

Investments by Foreign Portfolio Investors

1. Purchase/ sale of equity instruments

1.1 A Foreign Portfolio Investor (FPI) may purchase or sell equity instruments of an Indian company on a recognised stock exchange in India.

1.2 The total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014, should be less than 10 per cent of the total paid-up equity capital on a fully diluted basis or less than 10 per cent of the paid-up value of each series of debentures or preference shares or warrants issued by an Indian company and the total holdings of all FPIs put together should not exceed 24 per cent of paid-up equity capital on a fully diluted basis or paid up value of each series of debentures or preference shares or warrants. The limit of 10 percent and 24 percent will be called individual and aggregate limit, respectively.

1.3 The aggregate limit of 24 percent may be increased by the Indian company concerned up to the sectoral cap/ statutory ceiling, as applicable, with the approval of its Board of Directors and its General Body through a resolution and a special resolution, respectively.

1.4 In case the total holding of an FPI increases to 10 percent or more of the total paid-up equity capital on a fully diluted basis or 10 per cent or more of the paid-up value of each series of debentures or preference shares or warrants issued by an Indian company, the total investment so made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI in this regard and the investee company and the investor complying with the reporting requirements prescribed in FEMA 395.

1.5 For arriving at the ceiling on holdings of FPI, equity instruments acquired both through primary as well as secondary market will be included. However, the ceiling will not include investment made by the FPI through off-shore Funds, Global Depository Receipts and Euro-Convertible Bonds.

1.6 An FPI is permitted to purchase equity instruments of an Indian company through public offer/ private placement, subject to the individual and aggregate limits and the conditions specified below:

- (a) in case of Public Offer, the price of the shares to be issued is not less than the price at which shares are issued to residents, and
- (b) in case of issue by private placement, the price is not less than the price arrived in terms of SEBI guidelines or not less than the fair price worked out as per any internationally accepted pricing methodology for valuation of shares on arm's length basis, duly certified by a SEBI registered Merchant Banker or Chartered Accountant, as applicable

1.7 An FPI may undertake short selling as well as lending and borrowing of securities as permitted by the RBI and SEBI subject to the following conditions:

- a) The short selling of equity shares by FPIs is permitted for equity shares of those companies where there is at least 2% headroom available for total foreign investment and/or aggregate FPI limit or is not in the caution list or ban list published by the RBI or any restrictive list published by any authority designated to do so by the RBI or SEBI.
- b) Borrowing of equity shares by FPIs will only be for the purpose of delivery into short sale.
- c) The margin/ collateral will be maintained by FPIs as applicable in the cash and F&O segment of equity market. No interest shall be paid to the FPI on such margin/ collateral.
- d) The designated custodian banks shall separately report all transactions pertaining to short selling of equity shares and lending and borrowing of equity shares by FPIs in their daily reporting with a suitable remark (short sold/ lent/ borrowed equity shares) for the purpose of monitoring by the RBI.

1.8 Investments will be subject to the limits and margin requirements prescribed by the RBI/ SEBI.

2. Mode of payment

2.1 The amount of consideration for purchase of equity instruments should be received from abroad through banking channels through inward remittance or out of funds held in a foreign currency account and/ or a Special Non-Resident Rupee (SNRR) account maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

2.2 The foreign currency account and SNRR account can be used only and exclusively for transactions under this Annex.

3. Remittance of sale proceeds

The sale proceeds (net of taxes) of the investments made can be remitted outside India or may be credited to the foreign currency account or SNRR account of the FPI.

4. Saving

All investments made by deemed FPIs in accordance with the regulations prior to their registration as FPIs are valid and taken into account for computation of aggregate limits.

Investments by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis

1. Purchase/ sale of equity instruments

1.1 A Non-resident Indian (NRI) or an Overseas Citizen of India (OCI) is allowed to purchase or sell equity instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the following conditions:

- (a) The purchase and sale is done through a designated authorised dealer branch;
- (b) The total holding by any individual NRI or OCI should not exceed five percent of the total paid-up equity capital on a fully diluted basis or should not exceed five percent of the paid-up value of each series of debentures or preference shares or warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together should not exceed ten percent of the total paidup equity capital on a fully diluted basis or should not exceed ten percent of the paid-up value of each series of debentures or preference shares or warrants;
- (c) the aggregate ceiling of ten per cent can be raised to twenty-four per cent if a special resolution to that effect is passed by the General Body of the Indian company;

2. Mode of payment

2.1 The amount of consideration for purchase of equity instruments should be received as an inward remittance from abroad through banking channels or out of funds held in a Non-Resident External (NRE) account maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

2.2 The NRE account will be designated as an NRE (PIS) Account and the designated account should be used exclusively for putting through transactions permitted under this annex.

2.2.1 The specific credits permitted for the NRE (PIS) account are as follows:

- (a) Inward remittances from abroad in foreign exchange through banking channels;
- (b) Transfer from the NRI's/ OCI's other NRE accounts or FCNR (B) accounts maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#);
- (c) Sale proceeds (net of taxes) of equity instruments acquired on repatriation basis in accordance with instructions contained in this annex and sold on stock exchange; and
- (d) Dividend or income earned on investment made on repatriation basis in accordance with instructions contained in this annex.

2.2.2 The specific debits permitted for the NRE (PIS) account are as follows:

- (a) Outward remittances of dividend or income earned on investment made on repatriation basis in accordance with instructions contained in this annex;
- (b) Amounts paid on account of purchase of equity instruments on repatriation basis on stock exchanges in accordance with instructions contained in this annex;
- (c) Any charges on account of sale/ purchase of equity instruments in accordance with instructions contained in this annex; and
- (d) Remittances outside India or transfer to NRE/ FCNR (B) accounts of the NRI/ OCI or any other person eligible to maintain such accounts in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016.](#)

3. Remittance of sale proceeds

The sale proceeds (net of taxes) of the equity instruments can be remitted outside India or may be credited to NRE (PIS) Account of the person concerned.

4. Saving

Any account designated as NRO (PIS) shall be re-designated as NRO account.

Investment by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on Non-Repatriation basis

A. Purchase/ sale of equity instruments or convertible notes or units or contribution to the capital of an LLP

1.1 A Non-resident Indian (NRI) or an Overseas Citizen of India (OCI), including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs or OCIs, is permitted to purchase/ contribute to the following on a non-repatriation basis:

- (a) Any capital instrument issued by a company without any limit either on the stock exchange or outside it.
- (b) Units issued by an investment vehicle without any limit, either on the stock exchange or outside it.
- (c) The capital of a Limited Liability Partnership without any limit.
- (d) Convertible notes issued by a startup company in accordance with NDI Rules.

1.2 The investment detailed at 1.1 above will be deemed to be domestic investment at par with the investment made by residents.

1.3 An NRI or an OCI including a company, a trust and a partnership firm incorporated outside India and owned and controlled by NRIs or OCIs, cannot invest in equity instruments or units of a Nidhi company or a company engaged in agricultural/ plantation activities or real estate business or construction of farm houses or dealing in Transfer of Development Rights.

2. Mode of Payment

2.1 The amount of consideration should be received from abroad through banking channels or paid out of funds held in NRE/ FCNR(B)/ NRO accounts maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

3. Sale/ maturity proceeds

3.1 The sale/ maturity proceeds (net of applicable taxes) of equity instruments purchased or disinvestment proceeds of an LLP should be credited only to the NRO account of the investor, irrespective of the type of account from which the consideration was paid.

3.2 The amount invested in equity instruments of an Indian company or the consideration for contribution to the capital of an LLP and the capital appreciation thereon cannot be repatriated abroad.

B. Investment in a firm or a proprietary concern

1. Contribution to capital of a firm or a proprietary concern

1.1 An NRI or an OCI is permitted to invest, on a non-repatriation basis, by way of contribution to the capital of a firm or a proprietary concern in India.

1.2 The investee firm or proprietary concern should not be engaged in any agricultural/ plantation activity or print media or real estate business i.e., dealing in land and immovable property with a view to earning profit or earning income therefrom.

2. Mode of payment

2.1 The amount of consideration should be received from abroad through banking channels or paid out of funds held in NRE/ FCNR(B)/ NRO accounts maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

3. Sale/ maturity proceeds

3.1 The disinvestment proceeds should be credited only to the NRO account of the person concerned, irrespective of the type of account from which the consideration was paid.

3.2 The amount invested for contribution to the capital of a firm or a proprietary concern and the capital appreciation thereon cannot be repatriated abroad.

Investment in a Limited Liability Partnership (LLP)

1. Investment in a LLP

- 1.1 Foreign Investment was permitted in an LLP with effect from May 20, 2011.
- 1.2 A person resident outside India (other than a citizen of Pakistan or Bangladesh) or an entity incorporated outside India (other than an entity incorporated in Pakistan or Bangladesh), not being a Foreign Portfolio Investor (FPI) or a Foreign Venture Capital Investor (FVCI), is permitted to contribute to the capital of an LLP operating in sectors/ activities where foreign investment up to 100 percent is permitted under automatic route and there are no FDI linked performance conditions.
- 1.3 Investment by way of 'profit share' will fall under the category of reinvestment of earnings.
- 1.4 Investment in an LLP is subject to the conditions prescribed in the Limited Liability Partnership Act, 2008.
- 1.5 A company having foreign investment, engaged in a sector where foreign investment up to 100 percent is permitted under the automatic route and there are no FDI linked performance conditions, can be converted into an LLP under the automatic route.
- 1.6 An LLP having foreign investment, engaged in a sector where foreign investment up to 100 percent is permitted under the automatic route and there are no FDI linked performance conditions, can be converted into a company under the automatic route.

2. Mode of payment

- 2.1 Payment by an investor towards capital contribution of an LLP should be made by way of an inward remittance through banking channels or out of funds held in NRE or FCNR(B) account maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

3. Remittance of disinvestment proceeds

- 3.1 The disinvestment proceeds can be remitted outside India or may be credited to NRE or FCNR(B) account of the person concerned.

Annex 6

Investment by a Foreign Venture Capital Investor (FVCI)

1. Investment by Foreign Venture Capital Investor (FVCI)

1.1 Investment by an FVCI was permitted with effect from December 26, 2000

1.2 An FVCI is permitted to invest in securities (not listed on a recognised stock exchange at the time of issue), of an Indian company engaged in the following sectors:

- (1) Biotechnology
- (2) IT related to hardware and software development
- (3) Nanotechnology
- (4) Seed research and development
- (5) Research and development of new chemical entities in pharmaceutical sector
- (6) Dairy industry
- (7) Poultry industry
- (8) Production of bio-fuels
- (9) Hotel-cum-convention centres with seating capacity of more than three thousand.
- (10) Infrastructure sector. The term ‘Infrastructure Sector’ has the same meaning as given in the Harmonised Master List of Infrastructure sub-sectors approved by Government of India vide Notification F. No. 13/06/2009-INF dated March 27, 2012 as amended/ updated.

1.3 An FVCI can invest in securities issued by a startup, irrespective of the sector in which the startup is engaged.

1.4 An FVCI can acquire units of a Venture Capital Fund (VCF) or of a Category I Alternative Investment Fund (Cat-I AIF) or units of a scheme or of a fund set up by a VCF or by a Cat-I AIF.

1.5 Investment by an FVCI in equity instruments of an Indian company will be subject to the reporting, sectoral caps, entry routes and attendant conditions.

1.6 An FVCI may purchase the securities/ instruments permitted for it either from the issuer of these securities/ instruments or from any person holding these securities/ instruments.

1.7 An FVCI may invest in securities on a recognized stock exchange subject to the provisions of the SEBI (FVCI) Regulations, 2000.

1.8 An FVCI may acquire/ transfer securities/ instruments permitted for it at a price that is mutually acceptable to the buyer and the seller/ issuer. In case of sale to a person resident outside India, the buyer should be an eligible acquirer.

1.9 An FVCI may also receive the proceeds of the liquidation of VCFs or of Cat-I AIFs or of schemes/ funds set up by the VCFs or Cat-I AIFs.

2. Mode of payment

2.1 The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in a foreign currency account and/ or a Special Non-Resident Rupee (SNRR) account maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

2.2 The foreign currency account and SNRR account shall be used only and exclusively for transactions under this annex.

3. Remittance of sale/ maturity proceeds

3.1 The sale/ maturity proceeds (net of taxes) may be remitted outside India or may be credited to the foreign currency account or SNRR account of the FVCI.

Investment by a person resident outside India in an Investment Vehicle

1. Investment in units of an Investment Vehicle

1.1 A person resident outside India (other than a citizen of Pakistan or Bangladesh) or an entity incorporated outside India (other than an entity incorporated in Pakistan or Bangladesh) is permitted, with effect from November 13, 2016, to invest in units of Investment Vehicles.

1.2 The sale/ transfer/ redemption of units acquired/ purchased in accordance with this annex are subject to the regulations framed by SEBI or the directions issued by the RBI.

1.3 An Investment vehicle can issue its units to a person resident outside India against swap of equity instruments of a Special Purpose Vehicle (SPV) proposed to be acquired by such Investment Vehicle.

1.4 The portfolio investment by an AIF (Cat III) which has foreign investment is restricted to the securities/ instruments permitted for FPIs under NDI Rules.

2. Mode of payment

2.1 The amount of consideration should be paid as inward remittance from abroad through banking channels or by way of swap of shares of a Special Purpose Vehicle or out of funds held in NRE or FCNR(B) account maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

3. Remittance of sale/ maturity proceeds

The sale/ maturity proceeds (net of taxes) of the units may be remitted outside India or credited to the NRE or FCNR(B) account of the person concerned.

Annex 8

Investment in Depository receipts by a person resident outside India

1. Issue/ transfer of eligible instruments to a foreign depository for the purpose of issuance of depository receipts by eligible person(s)

1.1 In terms of Depository Receipts Scheme, 2014 (DR Scheme, 2014), Depository Receipts can be issued against any security or unit in which a person resident outside India is allowed to invest under NDI Rules. These will be referred to as 'eligible instruments' for the purpose of this annex.

1.2 A person is permitted to issue or transfer eligible instruments to a foreign depository for the purpose of issuance of depository receipts in accordance with the DR Scheme, 2014 and guidelines issued by Central Government in this regard.

1.3 A domestic custodian can purchase eligible instruments on behalf of a person resident outside India, for the purpose of converting the instruments so purchased into depository receipts in terms of DR Scheme 2014.

1.4 The aggregate of eligible instruments which may be issued or transferred to foreign depositories, along with eligible instruments already held by persons resident outside India, shall not exceed the limit on foreign holding of such eligible instruments under the Act, rules or regulations framed thereunder.

1.5 The eligible instruments shall not be issued or transferred to a foreign depository for the purpose of issuing depository receipts at a price less than the price applicable to a corresponding mode of issue or transfer of such instruments to domestic investors under the applicable laws.

2. Saving

2.1 Depository Receipts issued under the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 shall be deemed to have been issued under the corresponding provisions of DR Scheme 2014 and have to comply with the provisions laid out in this annex.

Annex 9

Issue of Indian Depository Receipts (IDRs)

1. Issue of IDRs

1.1 Companies incorporated outside India may issue IDRs through a Domestic Depository, to a person resident in India and a person resident outside India.

1.2 The issue of IDRs should comply with the Companies (Registration of Foreign Companies) Rules, 2014 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009;

1.3 Any issue of IDRs by financial/ banking companies having presence in India, either through a branch or subsidiary, shall require prior approval of the sectoral regulator(s);

1.4 IDRs shall be denominated in Indian Rupees only;

1.5 The proceeds of the issue of IDRs shall be immediately repatriated outside India by the companies issuing such IDRs.

2. Purchase/ sale of IDRs:

2.1 An FPI or an NRI or an OCI may purchase, hold or sell IDRs

2.2 NRIs or OCIs may invest in the IDRs out of funds held in their NRE/ FCNR(B) account, maintained in accordance with the [Foreign Exchange Management \(Deposit\) Regulations, 2016](#).

2.3 There would be an overall cap of USD 5 billion for raising of capital by issuance of IDRs by eligible foreign companies in Indian markets. This limit would be monitored by SEBI

3. Transfer, redemption and two way fungibility of IDRs

3.1 Redemption/ conversion of IDRs into underlying equity shares of the issuing company shall comply with the [Foreign Exchange Management \(Transfer or Issue of any Foreign Security\) Regulations, 2004](#).

3.2 IDRs shall not be redeemable into underlying equity shares before the expiry of one year from the date of issue.

3.3 Limited two way fungibility of IDRs is permissible.

3.4 The guidelines to be followed for 3.1, 3.2 and 3.3 above are as follows:

(a) Listed Indian companies may either sell or continue to hold the underlying shares subject to compliance with the [Foreign Exchange Management \(Transfer or Issue of any Foreign Security\) Regulations, 2004](#).

- (b) Indian Mutual Funds, registered with SEBI may either sell or continue to hold the underlying shares subject to compliance with the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004.
- (c) Other persons resident in India including resident individuals are allowed to hold the underlying shares only for the purpose of sale within a period of 30 days from the date of conversion of the IDRs into underlying shares.

3.5 The FEMA provisions shall not apply to the holding of the underlying shares, on redemption of IDRs by the FPIs.

Annex 10

Investment by other Non-resident Investors

1. Long term investors like Sovereign Wealth Funds (SWFs), Multilateral Agencies, Endowment Funds, Insurance Funds, Pension Funds and Foreign Central Banks may purchase securities subject to such terms and conditions as may be specified by the RBI and the SEBI.
2. “Eligible Foreign Entity (EEE)” as defined in SEBI circular dated the 9th October 2018 and having actual exposure to Indian physical commodity market may participate in domestic commodity derivative markets in accordance with framework specified by the SEBI.

Annex 11**List of notifications/circulars
which have been consolidated in this Master Direction**

SN	Rules/Notifications/ A.P. (DIR Series) Circulars	Date
1	<u>Foreign Exchange Management (NDI) Rules, 2019</u>	October 17, 2019
2	<u>AP (DIR) Series Circular No. 14</u>	September 16, 2003
3	FEM (NDI) (Amendment) Rules, 2019	December 05, 2019
4	FEM (NDI) (Amendment) Rules, 2020	April 22, 2020
5	FEM (NDI) (Second Amendment) Rules, 2020	April 27, 2020
6	FEM (NDI) (Amendment) Rules, 2021	August 06, 2021
7	FEM (NDI) (Second Amendment) Rules, 2021	August 19, 2021
8	FEM (NDI) (Third Amendment) Rules, 2021	October 05, 2021
9	FEM (NDI) (Fourth Amendment) Rules, 2021	October 12, 2021

**Reserve Bank of India
Foreign Exchange Department
Central Office
Mumbai**

Notification No. FEMA. 395/2019-RB

October 17, 2019
(Amended upto June 15, 2020)

Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019

In exercise of the powers conferred by section 47 of the Foreign Exchange Management Act, 1999 (42 of 1999) and consequent to the Foreign Exchange Management (Non-Debt Instrument) Rules, 2019, the Reserve Bank makes the following regulations relating to mode of payment and reporting requirements for investment in India by a person resident outside India, namely:

1. Short title & commencement:-

- a) These regulations may be called the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019.
- b) They shall come into force from the date of their publication in the [Official Gazette](#).

2. Definitions

In these regulations, unless the context requires otherwise, -

- a) 'Act' means the Foreign Exchange Management Act, 1999 (42 of 1999);
- b) 'Rules' means Foreign Exchange Management (Non-Debt Instrument) Rules, 2019;
- c) The words and expressions used but not defined in these regulations shall have the same meanings respectively assigned to them in the Act or the Rules.

3. Mode of Payment and Remittance of sale proceeds:

3.1

Schedule of the Rules	Instructions on Mode of payment and Remittance of sale proceeds
I. Schedule I (Purchase or sale of equity instruments of an Indian company by a person resident outside India)	A. Mode of payment (1) The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in NRE/ FCNR(B)/ Escrow account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016. Explanation: The amount of consideration shall include:

	<p>(i) Issue of equity shares by an Indian company against any funds payable by it to the investor</p> <p>(ii) Swap of equity instruments.</p> <p>(2) Equity instruments shall be issued to the person resident outside India making such investment within sixty days from the date of receipt of the consideration.</p> <p>Explanation: In case of partly paid equity shares, the period of 60 days shall be reckoned from the date of receipt of each call payment</p> <p>(3) Where such equity instruments are not issued within sixty days from the date of receipt of the consideration the same shall be refunded to the person concerned by outward remittance through banking channels or by credit to his NRE/ FCNR (B) accounts, as the case may be within fifteen days from the date of completion of sixty days.</p> <p>(4) An Indian company issuing equity instruments under this Schedule may open a foreign currency account with an Authorised Dealer in India in accordance with Foreign Exchange Management (Foreign currency accounts by a person resident in India) Regulations, 2016.</p>
<p>II. Schedule II</p> <p>(Investments by Foreign Portfolio Investors)</p>	<p>A. Mode of payment</p> <p>(1) The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in a foreign currency account and/ or a Special Non-Resident Rupee (SNRR) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.</p> <p>(2) Unless otherwise specified in these regulations or the relevant Schedules, the foreign currency account and SNRR account shall be used only and exclusively for transactions under this Schedule.</p> <p>B. Remittance of sale proceeds</p> <p>The sale proceeds (net of taxes) of equity instruments and units of REITs, InViTs and domestic mutual fund may be remitted outside India or credited to the foreign currency account or a SNRR account of the FPI.</p>

III. Schedule III (Investments by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis)	<p>A. Mode of payment</p> <p>(1) The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in a Non-Resident External (NRE) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.</p> <p>(2) The NRE account will be designated as an NRE (PIS) Account and the designated account shall be used exclusively for putting through transactions permitted under this Schedule.</p> <p>(3) Investment in units of domestic mutual fund shall be paid as inward remittance from abroad through banking channels or out of funds held in NRE/FCNR(B) account.</p> <p>(4) Subscription to National Pension System shall be paid as inward remittance from abroad through banking channels or out of funds held in NRE/FCNR(B)/NRO account.</p> <p>B. Remittance of sale proceeds</p> <p>The sale proceeds (net of taxes) of equity instruments may be remitted outside India or may be credited to NRE (PIS) account of the person concerned.</p> <p>The sale proceeds (net of taxes) of units of mutual funds and subscription to National Pension System may be remitted outside India or may be credited to NRE (PIS)/FCNR(B)/NRO account of the person concerned at the option of the NRI/OCI investor.</p>
IV. Schedule IV (Investment by NRI or OCI on non-repatriation basis)	<p>1. Purchase or sale of equity instruments of an Indian company or units or contribution to the capital of a LLP by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on Non-repatriation basis.</p> <p>A. Mode of Payment</p> <p>The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in NRE/FCNR(B)/ NRO account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.</p> <p>B. Sale/ maturity proceeds</p> <p>(1) The sale/ maturity proceeds (net of applicable taxes) of equity instruments or units or disinvestment proceeds of a LLP shall be credited only to the NRO account of the investor, irrespective of the type of account from which the consideration was paid;</p>

	<p>(2) The amount invested in equity instruments of an Indian company or the consideration for contribution to the capital of a LLP and the capital appreciation thereon shall not be allowed to be repatriated abroad.</p> <p>2. Investment in a firm or a proprietary concern.</p> <p>A. Mode of payment</p> <p>The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in NRE/ FCNR(B)/ NRO account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.</p> <p>B. Sale/ maturity proceeds</p> <p>(1) The disinvestment proceeds shall be credited only to the NRO account of the person concerned, irrespective of the type of account from which the consideration was paid;</p> <p>(2) The amount invested for contribution to the capital of a firm or a proprietary concern and the capital appreciation thereon shall not be allowed to be repatriated abroad.</p>
V. Schedule V (Investment by other non-resident investors)	<p>A. Mode of Payment</p> <p>The amount of consideration shall be paid out of inward remittances from abroad through banking channels.</p> <p>B. Remittance/ credit of sale/ maturity proceeds</p> <p>The sale/ maturity proceeds (net of taxes) may be remitted abroad.</p>
VI. Schedule VI (Investment in a Limited Liability Partnership)	<p>A. Mode of payment</p> <p>Payment by an investor towards capital contribution of an LLP shall be made by way of an inward remittance through banking channels or out of funds held in NRE or FCNR(B) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.</p> <p>B. Remittance of disinvestment proceeds</p> <p>The disinvestment proceeds may be remitted outside India or may be credited to NRE or FCNR(B) account of the person concerned.</p>
VII. Schedule VII (Investment by a Foreign Venture Capital Investor)	<p>A. Mode of payment</p> <p>(1) The amount of consideration shall be paid as inward remittance from abroad through banking channels or out of funds held in a foreign currency account and/ or a Special Non-Resident Rupee (SNRR) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.</p>

	<p>(2) Unless otherwise specified in these regulations or the relevant Schedules, the foreign currency account and SNRR account shall be used only and exclusively for transactions under this Schedule.</p> <p>B. Remittance of sale/ maturity proceeds</p> <p>The sale/ maturity proceeds (net of taxes) of the securities may be remitted outside India or may be credited to the foreign currency account or a Special Non-resident Rupee Account of the FVCI.</p>
VIII. Schedule VIII (Investment by a person resident outside India in an Investment Vehicle)	<p>A. Mode of payment:</p> <p>The amount of consideration shall be paid as inward remittance from abroad through banking channels or by way of swap of shares of a Special Purpose Vehicle or out of funds held in NRE or FCNR(B) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.</p> <p>Further, for an FPI or FVCI, amount of consideration may be paid out of their SNRR account for trading in units of Investment Vehicle listed or to be listed (primary issuance) on the stock exchanges in India.</p> <p>B. Remittance of sale/ maturity proceeds:</p> <p>The sale/ maturity proceeds (net of taxes) of the units may be remitted outside India or may be credited to the NRE or FCNR(B) or SNRR account, as applicable of the person concerned.</p>
IX. Schedule X (Issue of Indian Depository Receipts)	<p>A. Mode of Payment</p> <p>NRIs or OCIs may invest in the IDRs out of funds held in their NRE/ FCNR(B) account, maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.</p> <p>B. Remittance of sale/ maturity proceeds</p> <p>Redemption/ conversion of IDRs into underlying equity shares of the issuing company shall be a compliance the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004.</p>

3.2 Issue of Convertible Notes by an Indian start-up company:

A start-up company issuing convertible notes to a person resident outside India shall receive the amount of consideration by inward remittance through banking channels or by debit to the NRE/ FCNR (B)/ Escrow account maintained by the person concerned in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016. Repayment or sale proceeds may be remitted outside India or credited to NRE/ FCNR (B) account maintained by the person concerned in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016.

4. Reporting Requirements:

The reporting requirement for any Investment in India by a person resident outside India shall be as follows:

(1) **Form Foreign Currency-Gross Provisional Return (FC-GPR):** An Indian company issuing equity instruments to a person resident outside India and where such issue is reckoned as Foreign Direct Investment, defined under the rules, shall report such issue in Form FC-GPR, not later than thirty days from the date of issue of equity instruments. Issue of 'participating interest / rights' in oil fields shall be reported in Form FC-GPR.

(2) **Annual Return on Foreign Liabilities and Assets (FLA):** An Indian Company which has received FDI or an LLP which has received investment by way of capital contribution in the previous year including the current year, shall submit form FLA to the Reserve Bank on or before the 15th day of July of each year.

Explanation: Year for this purpose shall be reckoned as April to March.

(3) Form Foreign Currency-Transfer of Shares (FC-TRS):

- (a) Form FCTRS shall be filed for transfer of equity instruments in accordance with the rules, between:
- i. a person resident outside India holding equity instruments in an Indian company on a repatriable basis and person resident outside India holding equity instruments on a non-repatriable basis; and
 - ii. a person resident outside India holding equity instruments in an Indian company on a repatriable basis and a person resident in India,

The onus of reporting shall be on the resident transferor / transferee or the person resident outside India holding equity instruments on a non-repatriable basis, as the case may be.

Note: Transfer of equity instruments in accordance with the rules by way of sale between a person resident outside India holding equity instruments on a non-repatriable basis and person resident in India is not required to be reported in Form FC-TRS.

- (b) Transfer of equity instruments on a recognised stock exchange by a person resident outside India shall be reported by such person in Form FC-TRS.

- (c) Transfer of equity instruments prescribed in Rule 9(6) of the Rules, shall be reported in Form FC-TRS on receipt of every tranche of payment. The onus of reporting shall be on the resident transferor / transferee.
- (d) Transfer of 'participating interest / rights' in oil fields shall be reported Form FC-TRS.

The form FCTRS shall be filed within sixty days of transfer of equity instruments or receipt / remittance of funds whichever is earlier.

- (4) **Form Employees' Stock Option (ESOP):** An Indian company issuing employees' stock option to persons resident outside India who are its employees / directors or employees / directors of its holding company / joint venture / wholly owned overseas subsidiary / subsidiaries shall file Form-ESOP, within 30 days from the date of issue of employees' stock option.
- (5) **Form Depository Receipt Return (DRR):** The Domestic Custodian shall report in Form DRR, the issue / transfer of depository receipts issued in accordance with the Depository Receipt Scheme, 2014 within 30 days of close of the issue.
- (6) **Form LLP (I):** A Limited Liability Partnerships (LLP) receiving amount of consideration for capital contribution and acquisition of profit shares shall file Form LLP (I), within 30 days from the date of receipt of the amount of consideration.
- (7) **Form LLP (II):** The disinvestment / transfer of capital contribution or profit share between a resident and a non-resident (or vice versa) shall be filed in Form LLP(II) within 60 days from the date of receipt of funds. The onus of reporting shall be on the resident transferor/transferee.
- (8) **LEC(FII):** The Authorised Dealer Category I banks shall report to the Reserve Bank in Form LEC (FII) the purchase / transfer of equity instruments by FPIs on the stock exchanges in India.
- (9) **LEC(NRI):** The Authorised Dealer Category I banks shall report to the Reserve Bank in Form LEC (NRI) the purchase / transfer of equity instruments by Non-Resident Indians or Overseas Citizens of India on stock exchanges in India.
- (10) **Form InVI:** An Investment vehicle which has issued its units to a person resident outside India shall file Form InVI within 30 days from the date of issue of units.

(11) Downstream Investment

- a. An Indian entity or an investment vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment for the investee Indian entity in terms of the Rules, shall notify the Secretariat for Industrial Assistance, DPIIT within 30 days of such investment, even if equity instruments have not been allotted, along with the modality of investment in new / existing ventures (with / without expansion programme).
- b. Form DI: An Indian entity or an investment Vehicle making downstream investment in another Indian entity which is considered as indirect foreign investment for the

investee Indian entity in terms of Rule 22 of the Rules shall file Form DI with the Reserve Bank within 30 days from the date of allotment of equity instruments.

(12) Form Convertible Notes (CN):

- a. The Indian start-up company issuing Convertible Notes to a person resident outside India shall file Form CN within 30 days of such issue.
- b. A person resident in India, who may be a transferor or transferee of Convertible Notes issued by an Indian start-up company shall report such transfers to or from a person resident outside India, as the case may be, in Form CN within 30 days of such transfer.

Provided, the format, periodicity and manner of submission of such reporting shall be as prescribed by Reserve Bank in this regard.

Provided further that unless otherwise specifically stated in these regulations all reporting shall be made through or by an Authorised Dealer bank, as the case may be.

5. Delays in reporting

The person / entity responsible for filing the reports provided in Regulation 4 above shall be liable for payment of late submission fee, as may be decided by the Reserve Bank, in consultation with the Central Government, for any delays in reporting.

(Ajay Kumar Misra)
Chief General Manager-in-charge