

Procedures, practice and precautions

CA Vinod Jain

B.Com (H), LLB, FCA, FCS, FCMA, DISA (ICAI)

INMACS Management Services Limited

Vinod Kumar & Associates, CAs

vinodjain@inmacs.com

INMACS Law Office

info@inmacslaw.com

503, Chiranjiv Towers, 43, Nehru Place, New Delhi - 110019
Building No. 32, Global Business Square, Institutional Area, Sector 44, Gurugram 122003

FOREIGN DIRECT INVESTMENT (FDI)

Form FC-GPR

When a company in India proposes to allot shares to a non-resident investor.

Compliances are required under the Foreign Exchange Management Act, 1999 (FEMA) and the relevant RBI regulations:

- **Form Required:** Form FC-GPR (Foreign Currency-Gross Provisional Return)
- **TimeLine:** Within 30 days from date of allotment of shares.
- **Authority** Filed through:
 1. AD Category-I Bank
 2. RBI Regional Office

FOREIGN DIRECT INVESTMENT (FDI)

Form FC-GPR

When Securities allot to Non-Resident :

- Equity Shares / CCPS / CCDs
- ESOPs
- Sweat Equity Shares
- Rights Issue / Bonus Issue
- Share Swap / Conversion Cases

ROLE OF PROFESSIONAL IN FDI COMPLIANCE

The Professional is responsible for:

- Ensuring FEMA and Companies Act compliance
- Drafting Board/Share holders' Resolutions and others
- Coordinating with AD Bank
- Preparing and certifying documents
- Monitoring timelines
- Maintaining foreign investment records
- Assisting in RBI correspondence

DOCUMENTS REQUIRED WITH FC-GPR

1. Board Resolution for allotment
2. Valuation Certificate from:
 - SEBI Registered Merchant Banker, or
 - Chartered Accountant
3. CS Certificate confirming:
 - Compliance with Companies Act
 - Compliance with Government approval
 - Eligibility under FEMA regulations
 - Receipt of consideration
4. FIRC copy
5. KYC report
6. Shareholding pattern (pre and post issue)
7. Certificate of incorporation
8. Memorandum & Articles of Association (In case of Initial Subscription)
9. RBI approval/Government approval (if applicable)

TRANSFER OF SHARES BETWEEN RESIDENT TO NON-RESIDENT

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

APPLICABLE FOR:

Transfer of Shares and other Securities

- Resident to non-resident
- Non-Resident to Resident

TRANSFER OF SHARES BETWEEN RESIDENT TO NON-RESIDENT

Timeline

- Within **60 days** from receipt/remittance consideration of

Authority

- Filed with: AD Category-I Bank

Documents Required

- Consent letter/share transfer agreement
- FIRC/remittance proof
- KYC report
- Valuation certificate
- PAN of transferor/transferee
- Board Resolution
- Existing share certificate
- Declaration regarding pricing guidelines
- Transfer Form SH-4

FILING PROCEDURE ON THE FIRMS PORTAL

FIRMS PORTAL: - Registration

- **ENTITY USER** – (Required Documents –duly Attested Pan Card Copy, Certificate Of Incorporation (COI) and Authority Letter)
- **BUSINESS USER-** (Bank Account Details, Details of authorized person with duly attested KYC documents)
- Master Single form **-FC-GPR**
- Master Single form **-FC-TRS**

OVERSEAS DIRECT INVESTMENT (ODI REPORTING)

Financial Commitment (**FC FORM**) is filed for:

- Overseas Direct Investment (ODI)
- Financial Commitment in foreign entity
- Restructuring
- Disinvestment
- Filed with the designated AD Category-I Bank

Authority

- Regional Reserve Bank of India Branch

Due Date for submission of Form FC :-

financial commitment under RBI

- at the time of sending outward remittance

or

- making a financial commitment, whichever is earlier.

MODE of submission:- **PHYSICAL**

The AD bank may also require digital filing for their purpose

ANNUAL PERFORMANCE REPORT (APR)

A person resident in India

- acquiring equity capital in a foreign entity as ODI,
- with respect to each foreign entity
- every year by December 31st and
- where the accounting year of the foreign entity ends on December 31st,
- APR shall be submitted by December 31st of the next year.

- Mode of submission:- **PHYSICAL**
- Filed with the designated AD Category-I Bank

Authority

- Regional Reserve Bank of India Branch

ANNUAL PERFORMANCE REPORT (APR)

The APRs shall not be submitted in the following cases,

- If a person resident in India holding less than 10 per cent of the equity capital without control and no other financial commitment
- When the foreign entity is under liquidation,
- For the broken period (i.e. full year not completed) at the time of disinvestment. However, the details of transactions if any that had been undertaken during the time from the date of submission of the last APR till the date of disinvestment/initiation of liquidation process may be duly reported in the Form FC.

The APR shall be based on the audited financial statements of the foreign entity duly audited by host country CA or CPA.

FLAIR PORTAL REPORTING (FLA RETURN)

The Foreign Liabilities and Assets Information Reporting (FLAIR) portal

Applicability of FLA Return

FLA Return is mandatory for Indian entities having:

- Foreign Direct Investment (FDI), or
- Overseas Direct Investment (ODI)

The entity has to register on the portal by clicking FLAIR Portal Registration for New Entity Users.

Applicable Entities:

- Companies
- LLPs
- AIFs
- Partnership/Proprietary Firms
- Public Private Partnerships (PPP) etc

Due Date for FLA Return- 15 July every year based on position as on 31 March of each year.

- If accounts are unaudited by 15 July:
 - provisional figures may be filed
 - revised return can be filed, once audit done, upon approval,

EXTERNAL COMMERCIAL BORROWINGS (ECB RETURN)

The RBI has introduced revised formats: -

- Form ECB 1 and
- Form ECB 2,
- effective from April 1, 2026.
- Limited Liability Partnerships ('LLPs') as Eligible borrowers

Reporting Earlier Form ECB-2 was required to be submitted monthly. It is now provided that Form ECB-2 filing should be an event-based filing, to be submitted only upon utilisation of ECB proceeds or undertaking debt-servicing. With the due date being 7 calendar days from the end of the month in which the event occurs.

- Increase in borrowing limits earlier USD 750 million limit to the higher of USD 1 billion outstanding or 300% of net worth (standalone) of the borrower.

PRAVAAH' (PLATFORM FOR REGULATORY APPLICATION, VALIDATION & AUTHORISATION) PORTAL

PRAVAAH is a secure and centralised web-based portal for any individual or entity to seek authorisation, license or regulatory approval on any reference made by it to the Reserve Bank. The following are some of the key features available in the portal.

- i. Submit the application online on the portal;
 - ii. Track and Monitor the status of the application/reference;
 - iii. Respond to any clarification/query sought by the RBI in connection with the application/reference; and
 - iv. Receive a decision from the Reserve Bank in a time bound manner.
- At present, 108 [application forms](#) covering different regulatory and supervisory departments of RBI have been made available on the portal. This also includes a general-purpose form for applicants to submit their requests which are not included in any other application form. More application forms would be made available as may be required. The portal can be accessed at: <https://pravaah.rbi.org.in>.

CIMS PORTAL – RESERVE BANK OF INDIA (RBI)

The CIMS Portal refers to the Centralised Information Management System (CIMS) developed by the Reserve Bank of India for submission, management, and monitoring of regulatory returns and supervisory data by regulated entities including:

- NBFCs
- Banks
- ARCs
- CICs
- Housing Finance Companies
- Other regulated financial institutions

The portal is part of RBI's digital supervisory and compliance framework aimed at centralized data collection and automated monitoring.

PURPOSE & KEY FEATURES OF RBI CIMS PORTAL

The CIMS portal is primarily used for:

- Filing regulatory returns
- Submission of supervisory information
- Uploading periodic compliance data
- Monitoring prudential norms
- Data analytics and risk-based supervision by RBI

Key Features of CIMS Portal

- Centralized reporting platform
- Online return submission
- Automated validation checks
- User role management
- Digital workflow and approval mechanism
- Integration with RBI supervisory systems
- Real-time acknowledgment and tracking

Please feel free to reach out to us at
vinodjain@inmacs.com +9198110 40004 info@inmacslaw.com

CA Vinod Jain

B.Com (H), LLB, FCA, FCS, FCMA, DISA (ICAI)

INMACS Management Services Limited

Vinod Kumar & Associates, CAs

vinodjain@inmacs.com

INMACS Law Office

info@inmacslaw.com

503, Chiranjiv Towers, 43, Nehru Place, New Delhi – 110019

Building No. 32, Global Business Square, Institutional Area, Sector 44, Gurugram 122003