



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

RBI/2013-14/ 577

May 2, 2014

A.P. (DIR Series) Circular No.127

To

All Category – I Authorised Dealer Banks

Madam/ Sir,

**Foreign Direct Investment (FDI) in India –
Reporting mechanism for transfer of equity shares/ fully and mandatorily
convertible preference shares/ fully and mandatorily convertible debentures**

Attention of Authorised Dealer Category – I (AD Category – I) banks is invited to the following extant instructions:

- a. in terms of A.P. (DIR Series) Circular No. 38 dated September 6, 2013, a non-resident (NR) [including a Non Resident Indian (NRI)], who has acquired and continues to hold control in an Indian company in accordance with SEBI (Substantial Acquisition of shares and Takeover) Regulations, has been permitted, under the FDI scheme, to acquire shares of that company on a stock exchange in India through a registered broker;
- b. in terms of paragraph 4 of [A.P. \(DIR Series\) Circular No. 63 dated April 22, 2009](#) the form FC-TRS should be submitted to the AD Category – I bank within 60 days from the date of receipt of the amount of consideration. The onus of submission of the form FC-TRS within the given timeframe is cast upon the transferor / transferee, whoever is resident in India. Further, as per extant practice, the AD Category – I bank seeks approval from the Reserve Bank of India, Central Office before certifying the form FC-TRS received by them beyond the prescribed period of 60 days;
- c. in terms of paragraph 6.4 of annex to [A.P. \(DIR Series\) Circular No. 16 dated October 4, 2004](#), the IBD/FED or the nodal office of the bank has to submit a consolidated monthly statement in respect of all the transactions reported by the branches together with copies of the FC-TRS forms received from the branches to Foreign Exchange Department, Reserve Bank of India, Foreign Investment Division, Central Office, Mumbai in a soft copy (in MS-Excel)

2. On a review, it has now been decided:

- (a) to rationalise the existing procedure, in cases where the NR investor including an NRI acquires shares on the stock exchanges in terms of the aforesaid [A.P. \(DIR Series\) Circular No. 38 dated September 6, 2013](#), the investee company would have to file form FC-TRS with the AD Category-I bank.
- (b) In order to facilitate operational convenience, it has been decided that the AD Category-I bank may approach Regional Office concerned of Reserve Bank of India, Foreign Exchange Department to regularize the delay in submission of form FC-TRS, beyond the prescribed period of 60 days and in all other cases, form FC-TRS shall continue to be scrutinised at AD bank level as per extant practice.
- (c) The AD banks shall continue to comply with the consolidated reporting requirement as stipulated in terms of Para 6.4 of A. P. (DIR Series) Circular No. 16 dated October 4, 2004.

3. These directions will become operative from the date of this circular.

4. All the other terms and conditions of the A.P. (DIR Series) Circular No. 16 dated October 4, 2004, A.P. (DIR Series) Circular No. 63 dated April 22, 2009 and A.P. (DIR Series) Circular No. 38 dated September 6, 2013 shall remain unchanged.

5. Authorised Dealers may bring the contents of this circular to the notice of their constituents and customers concerned.

6. The directions contained in this circular have been issued under sections 10(4) and 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999) and is without prejudice to permissions / approvals, if any, required under any other law.

Yours faithfully,

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