

Checklist issuance of shares (automatic 100% Foreign Direct Investment (FDI)

1. Convening of Board Meeting for approving proposal of funding by Right Issue or Private Placement as per Section 42 or 62 of Companies Act , 2013 and comply with the procedure as per the Companies Act, 2013
2. If Authorised Share Capital is not sufficient for such issuance of further shares the Company need to call Board Meeting and approve Notice calling Extra Ordinary General Meeting (EGM) for Increase in Authorized Share Capital, alteration of MOA Clause 5 relevant to share capital and alteration of AOA (if AOA has mention of authorised share capital) .
3. Convene EGM and pass resolutions for Increase in Authorised Capital (Ordinary Resolution), alteration of Memorandum of Association (Ordinary Resolution) and alteration of Articles of Association of the Company (Special resolution).
4. File with the office of the Registrar of Companies (ROC) necessary Form No. SH 7 for increase in authorised share capital , Form No.MGT 14 for resolutions passed in EGM , pay Stamp Duty on Form No.SH 7 as per relevant State Stamp Act (As per Bombay Stamp Act it is Rs.1000/- per each 5 lacs increase) . ROC fees on such increase in Authorised Capital is as per slab rate given by Central Government.
4. Obtain Certificate of Chartered Accountants for the valuation of Shares of the Company , as per the Discounted Cash Flow Method notified by RBI (now any other method as per international standard allowed vide Circular No. 4 of July 15, 2014) .
5. Receive money from the Investor, Foreign Entity and get from them relevant documents like various declarations and share application form.
6. The Company to report to RBI within 30 days from the date of receipt of money from Foreign Entity through AD category bank.
7. The Company need to allot the share in 180 days from the date of receipt of funds ,as per FEMA provisions and so call Board Meeting and allot the shares to the Foreign Entity
8. File Form No. PAS 3 with ROC for Allotment of Shares.
9. Report to RBI within 30 days of Allotment of shares in Form FC-GPR with all relevant documents .
10. Share certificates to be issued to allottee shareholder for the newly allotted shares. (Stamp duty shall be @ 0.1% on the consideration for such issuance of shares).
11. Update Register of Allotment and Register of Members of the Company.
