

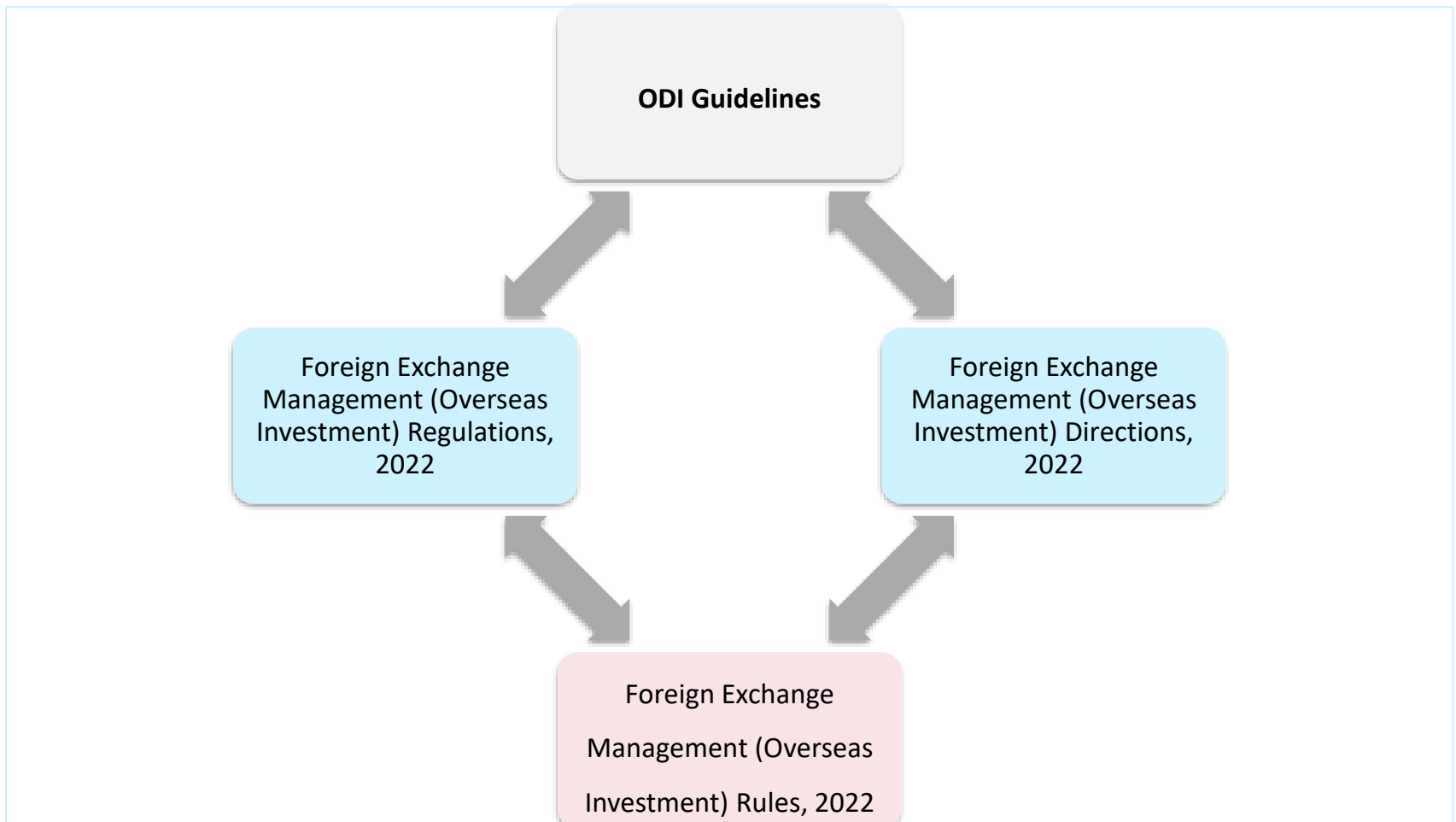
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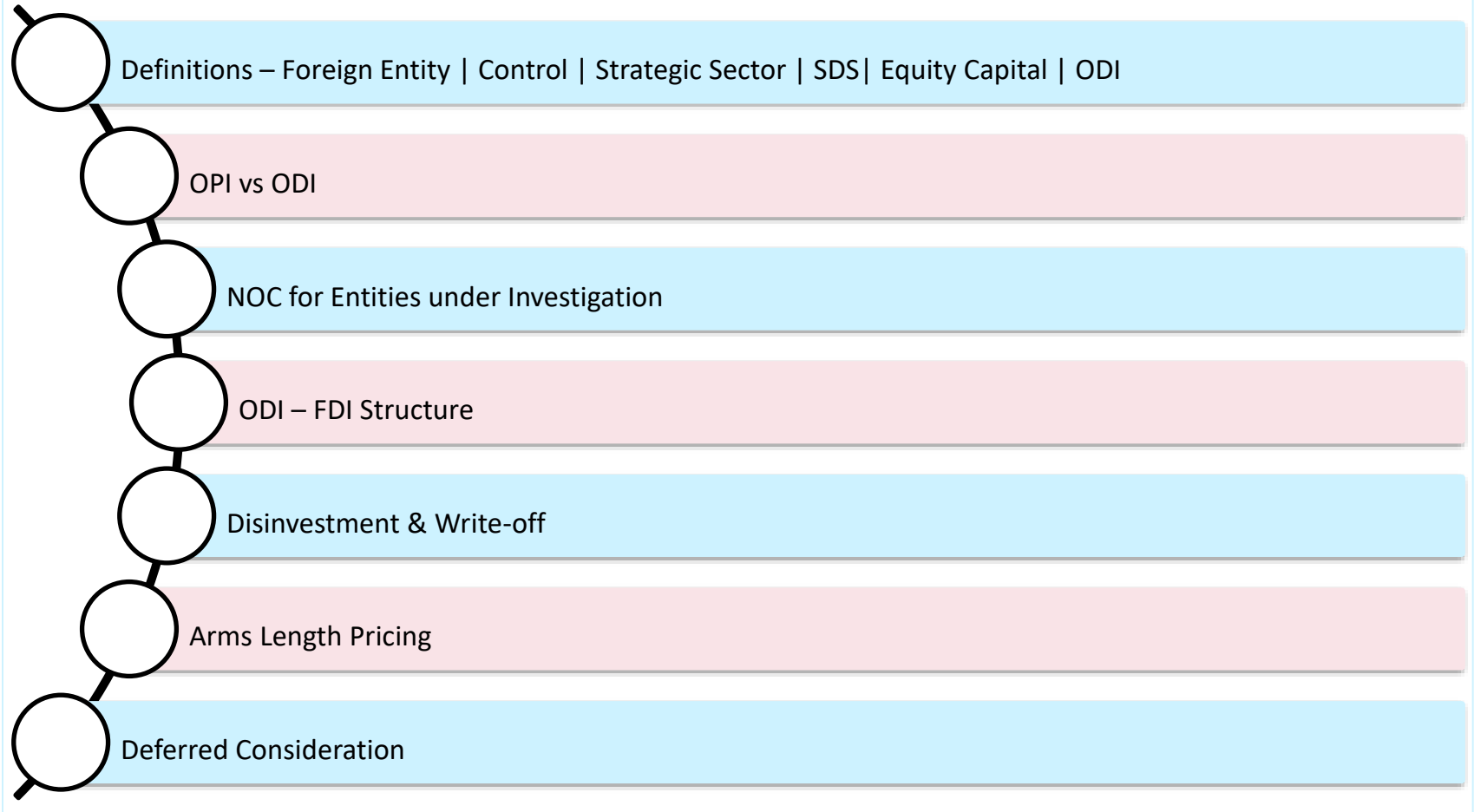
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Overseas Direct Investment

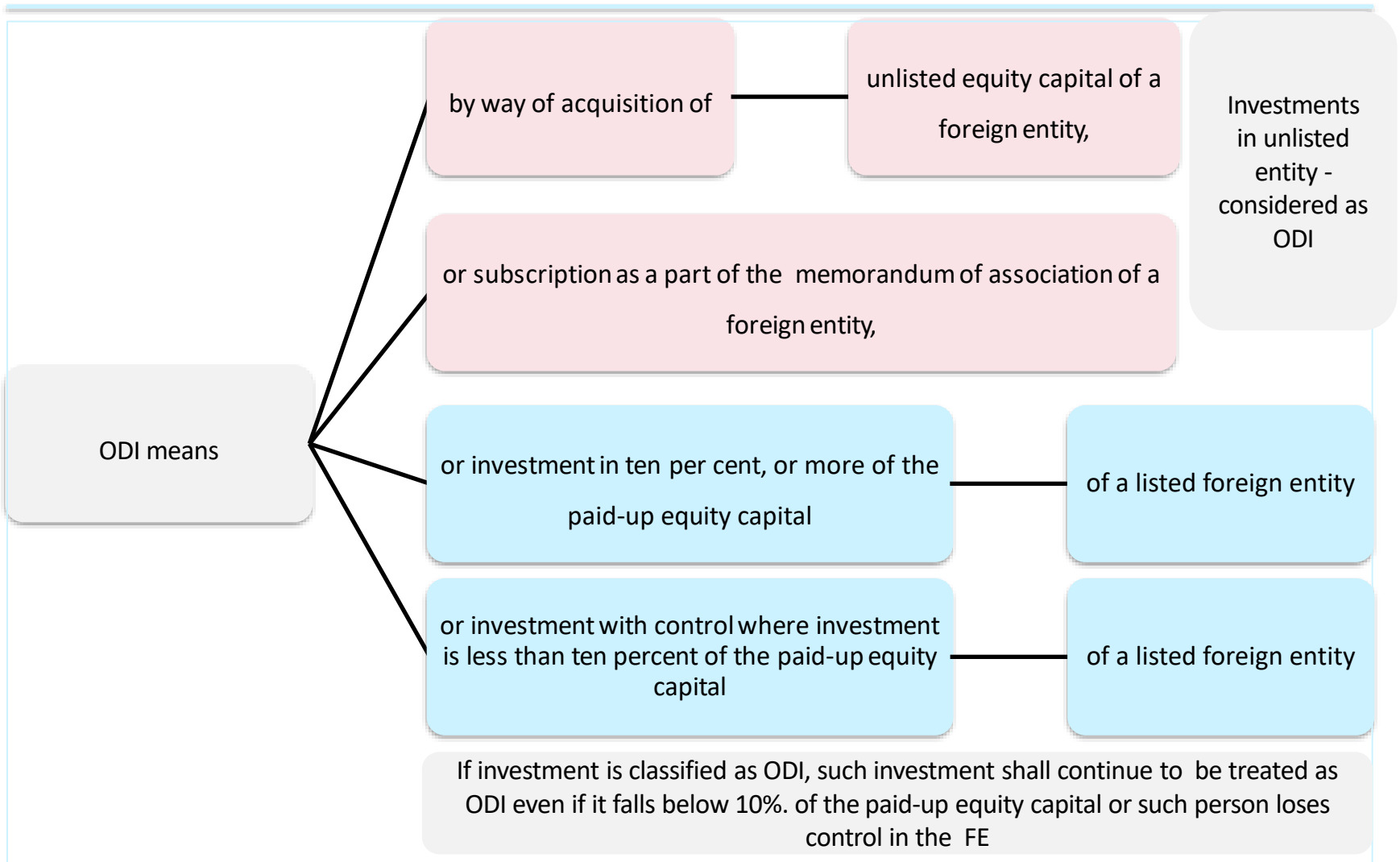
ODI Guidelines Framework



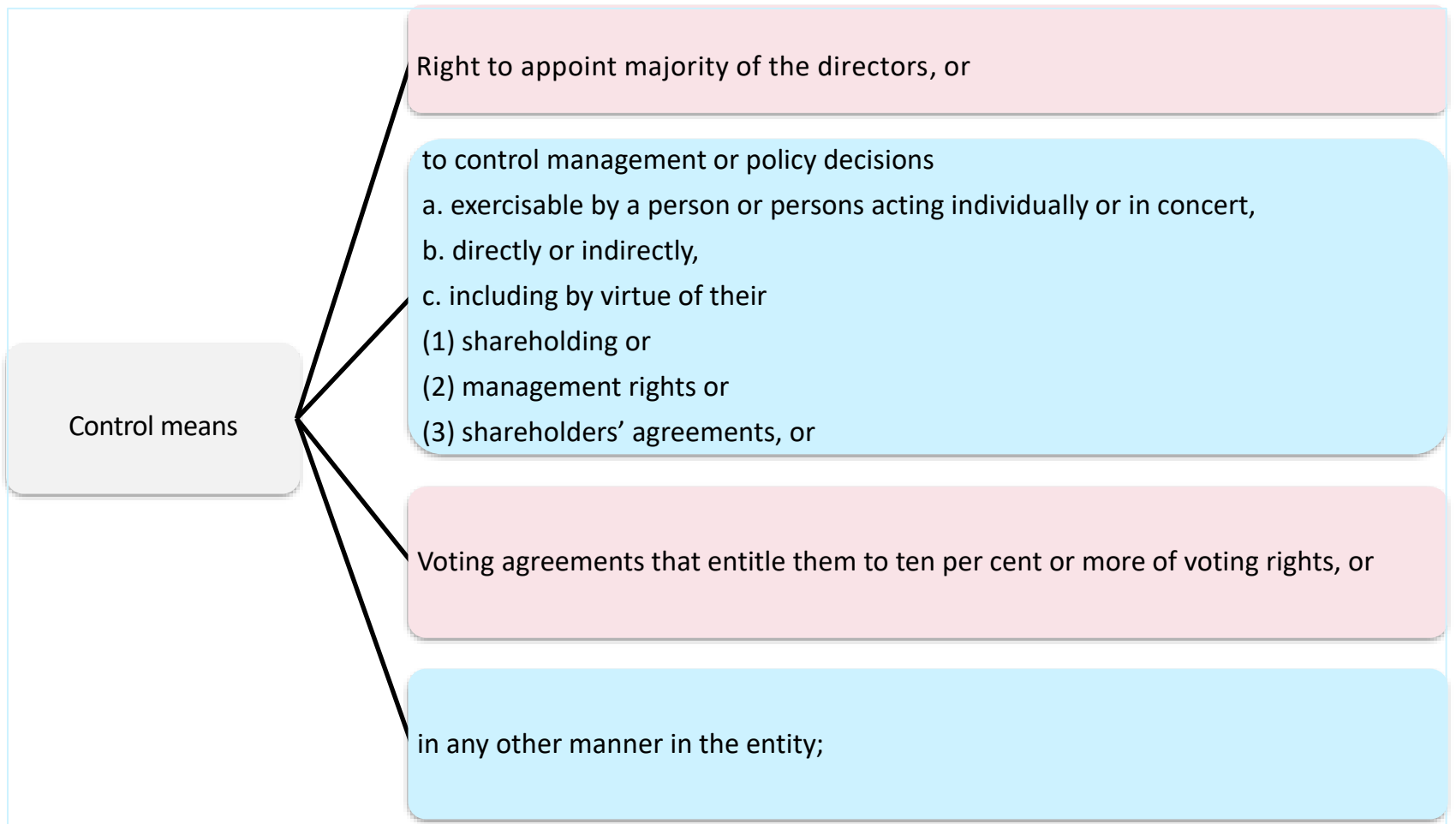
Key Changes



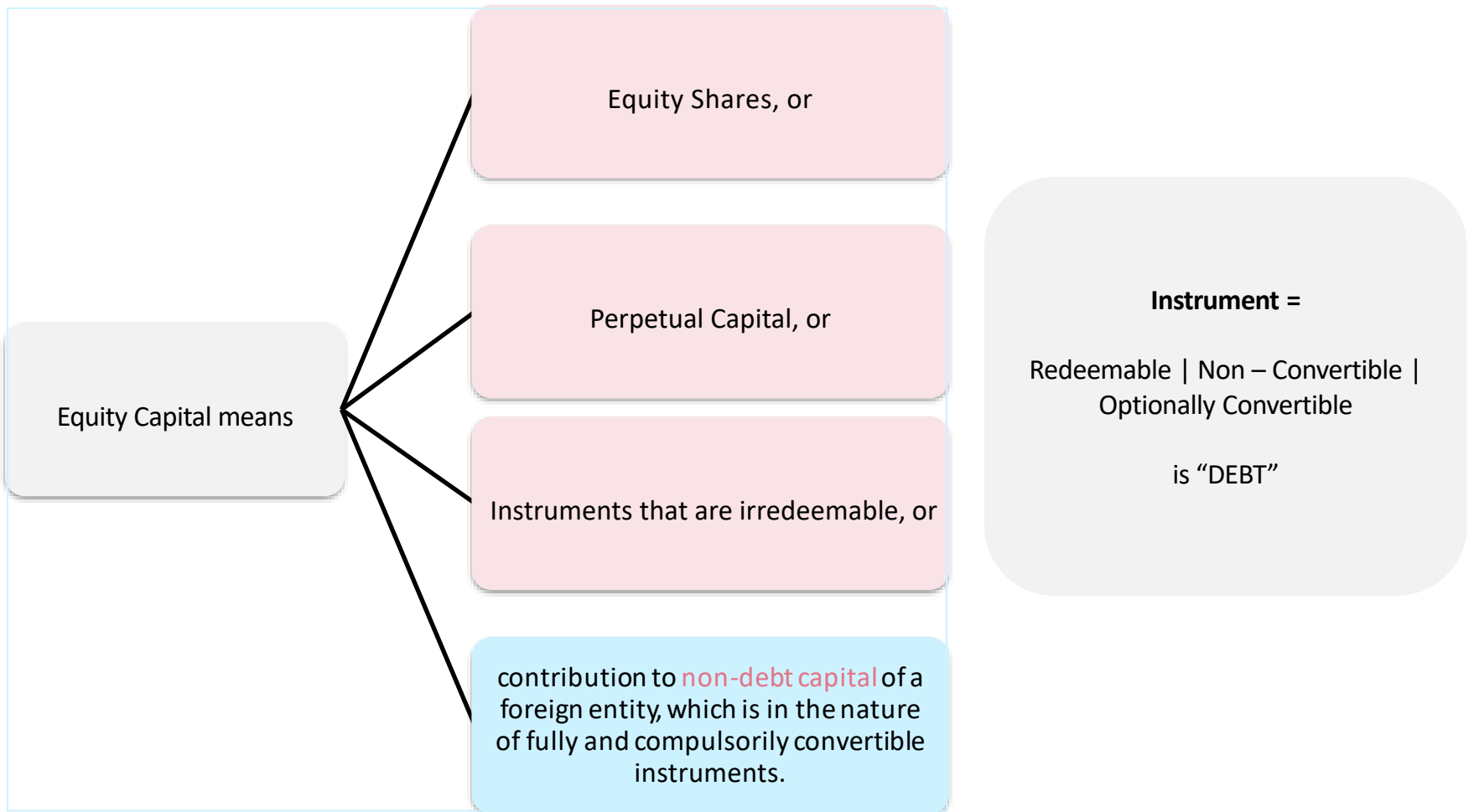
Overseas Direct Investment



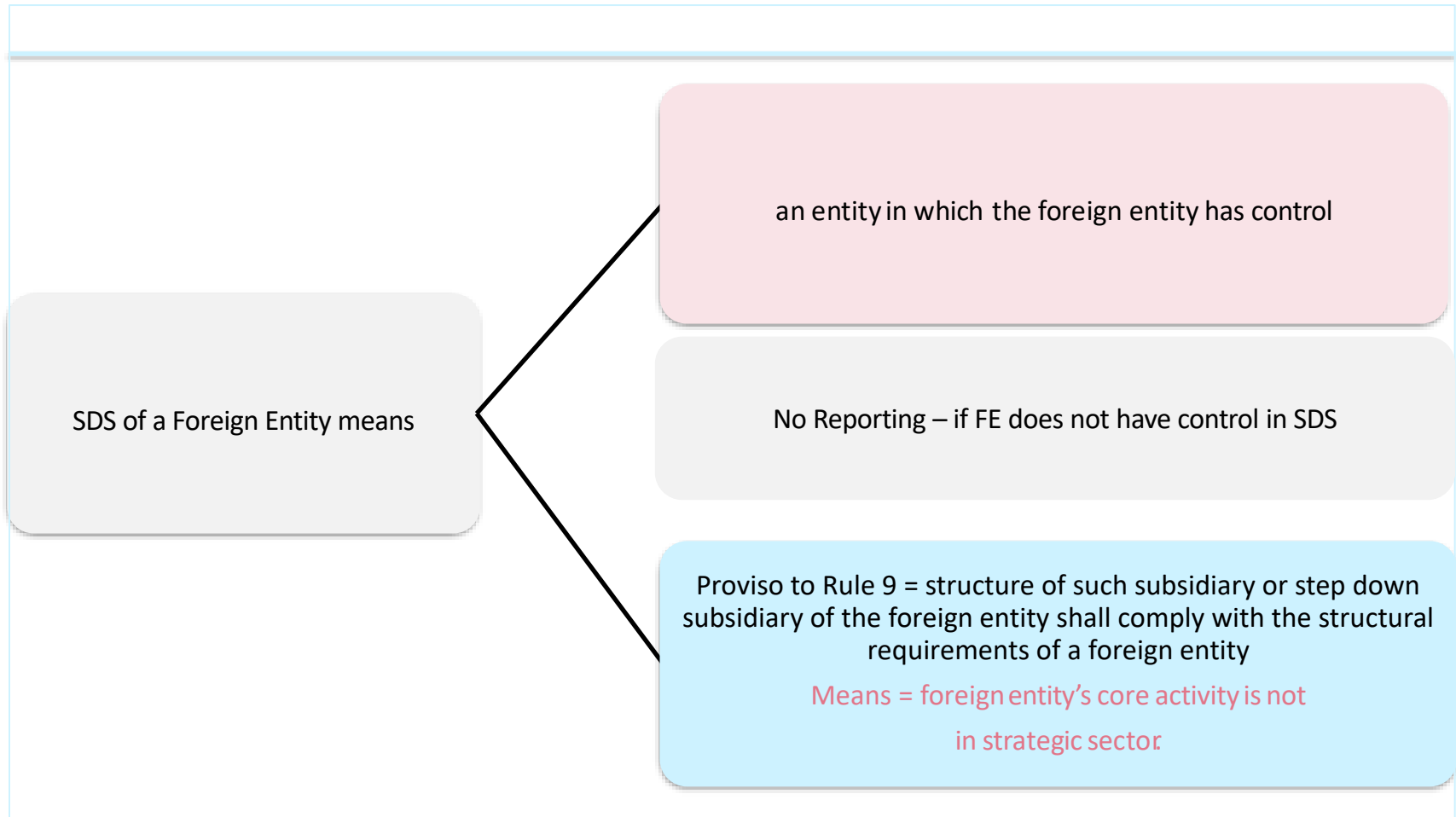
Control



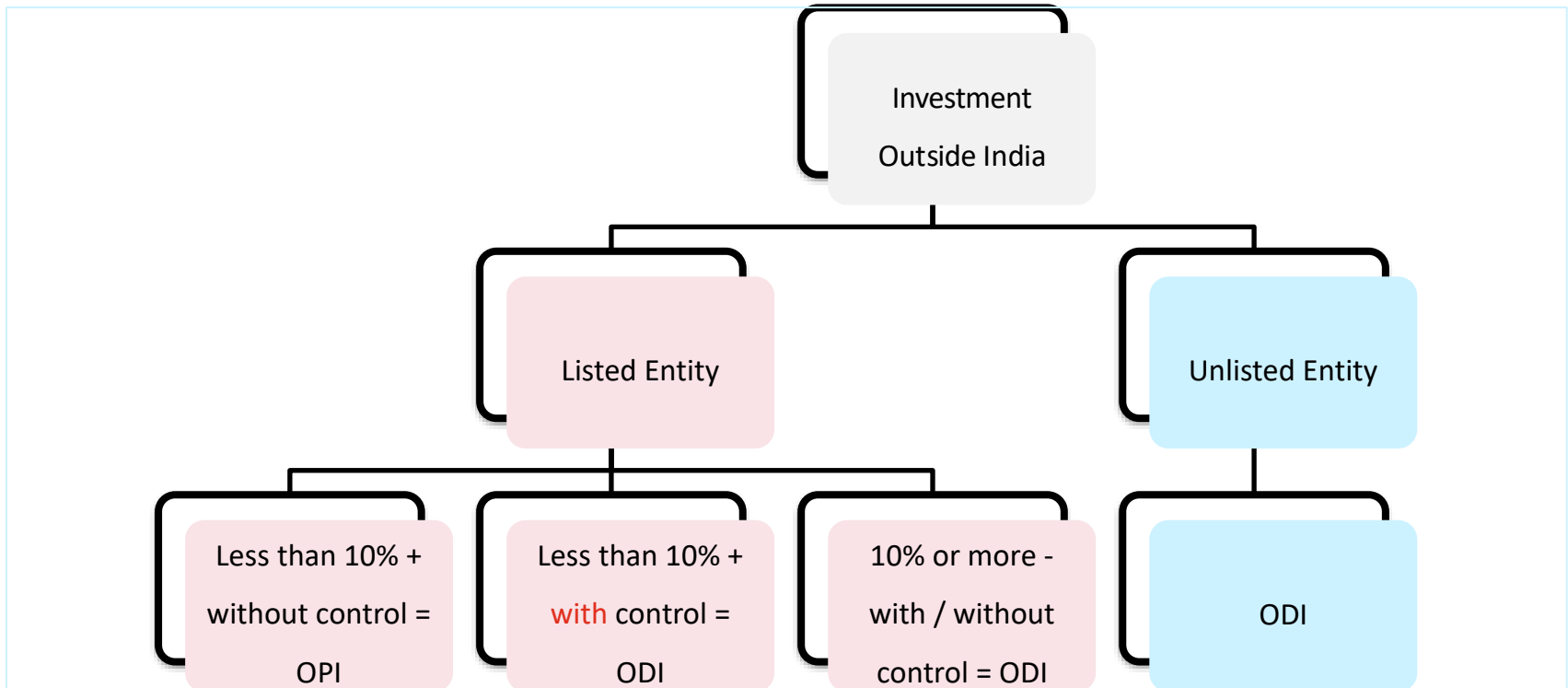
Equity Capital



SDS – Step Down Subsidiary



ODI v/s OPI



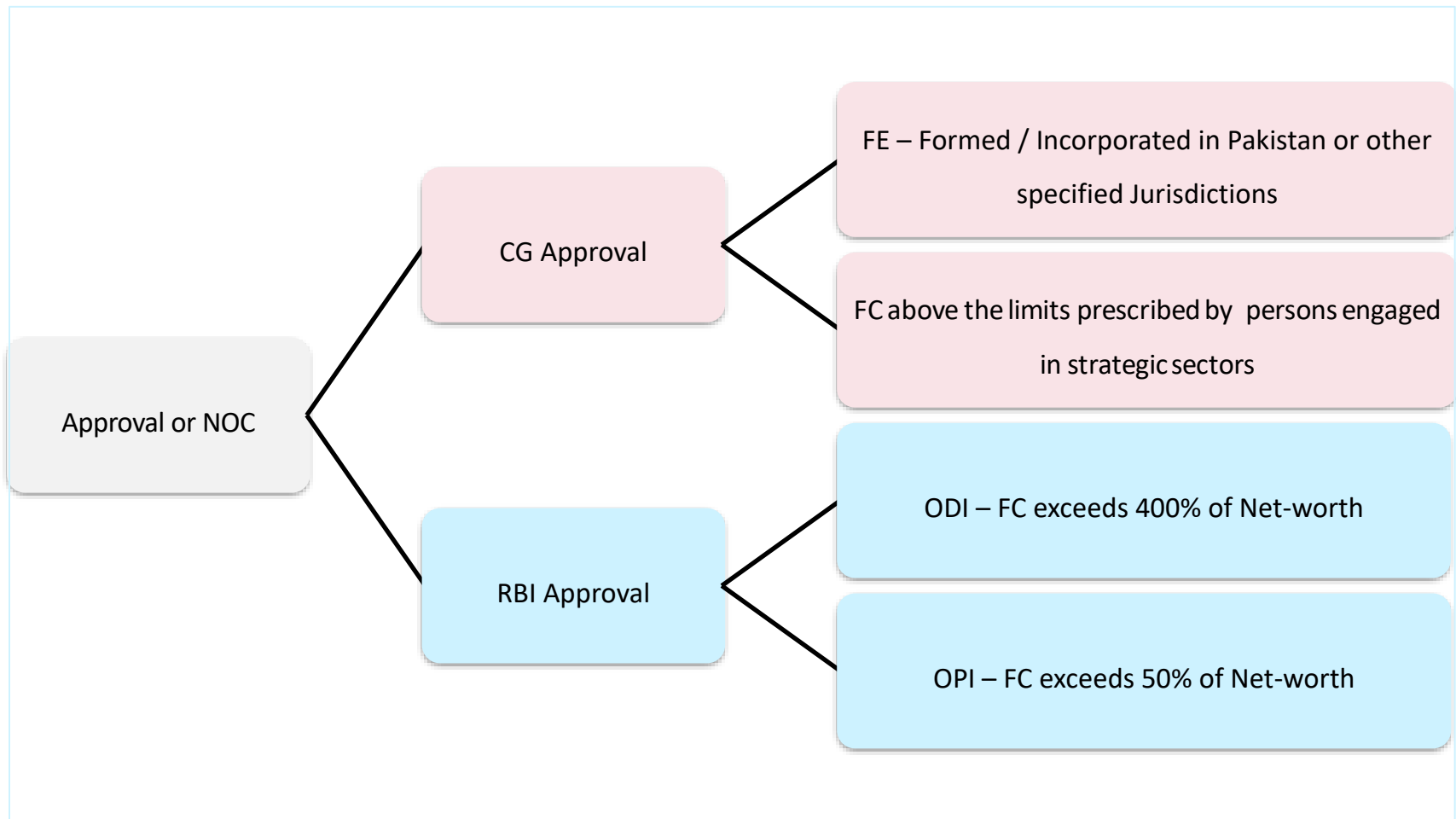
OPI Exceptions –

- Investment in foreign Listed / Unlisted
- By way of Sweat Equity / Qualification shares / ESOP or Employees Benefit Schemes (EBS)
- does not exceed 10% of Paid up capital of FE + no control

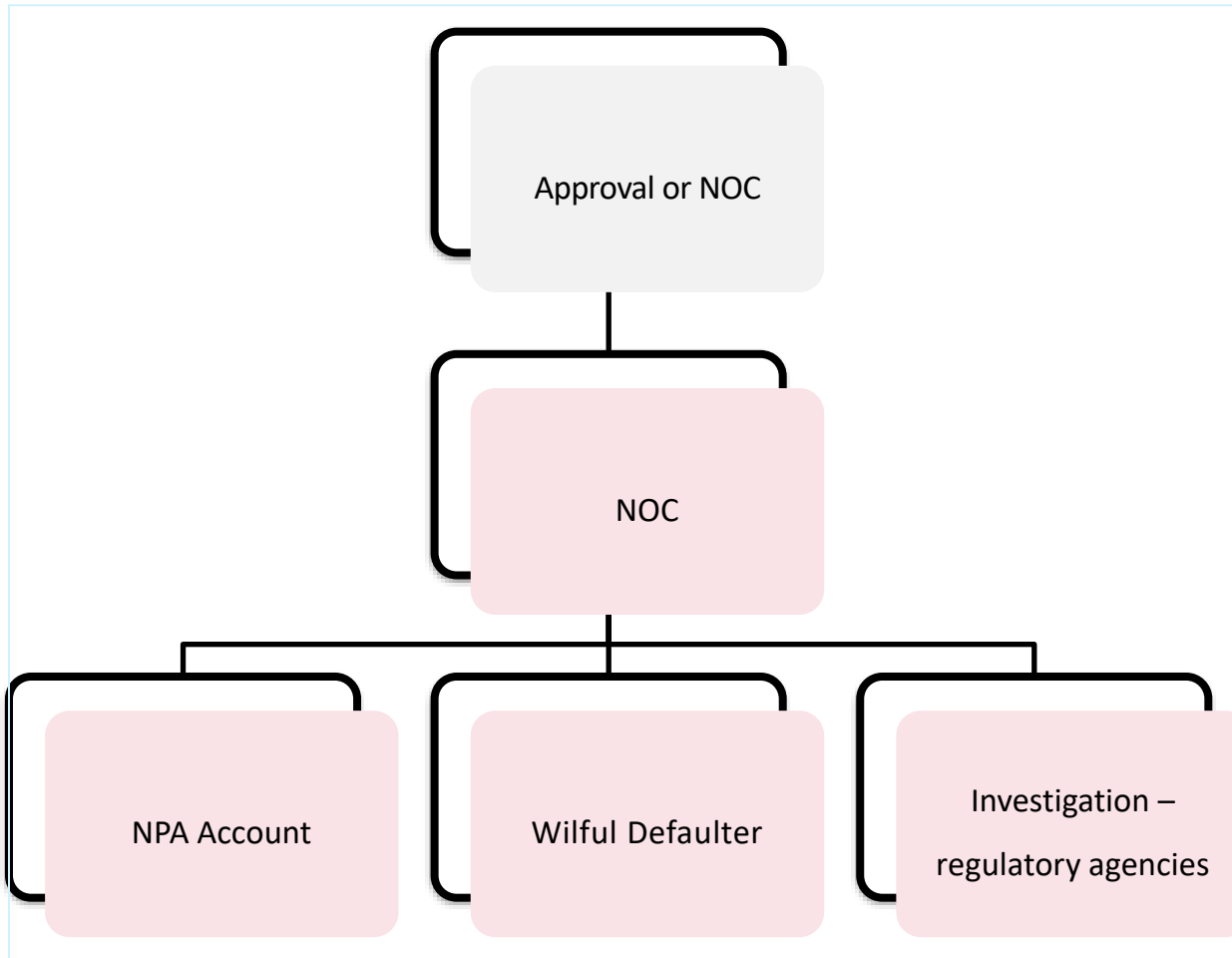
Financial Commitment “FC”

Financial Commitment Components		Limits of FC : Total FC =
ODI	<ul style="list-style-type: none"> Unlisted Equity Capital Subscription to MOA Listed Foreign Entity: <ul style="list-style-type: none"> ≥10% paid up equity capital <10% of paid up equity capital with control 	FC in all Foreign Entity
Debt	<p>Debt other than OPI</p> <ul style="list-style-type: none"> Loans OCPS/ RPS Redeemable/ Optionally convertible debentures Debt instruments <p>Conditions for debt : Backed by Loan Agreement + ROI at Arms Length Basis</p>	<p>400% of Net-worth i.e. as per 2 (57) of Companies Act, 2013</p> <p>400% includes:</p> <ol style="list-style-type: none"> EEFC A/c Balances ADR / GDR Funds ECB proceeds utilisation
Non-Fund Based	<ul style="list-style-type: none"> 100% corporate guarantee 100% personal guarantee 100% bank guarantee 50% performance guarantee Pledge or charge on assets Deferred part of consideration Holding/ Subsidiary co. can provide guarantee to be utilized against its own limits 	<p>As per Last Audited Balance Sheet : means audited balance sheet as on date not exceeding eighteen months preceding the date of the transaction</p>

ODI – Approval / NOC Requirements



ODI – Approval / NOC Requirements

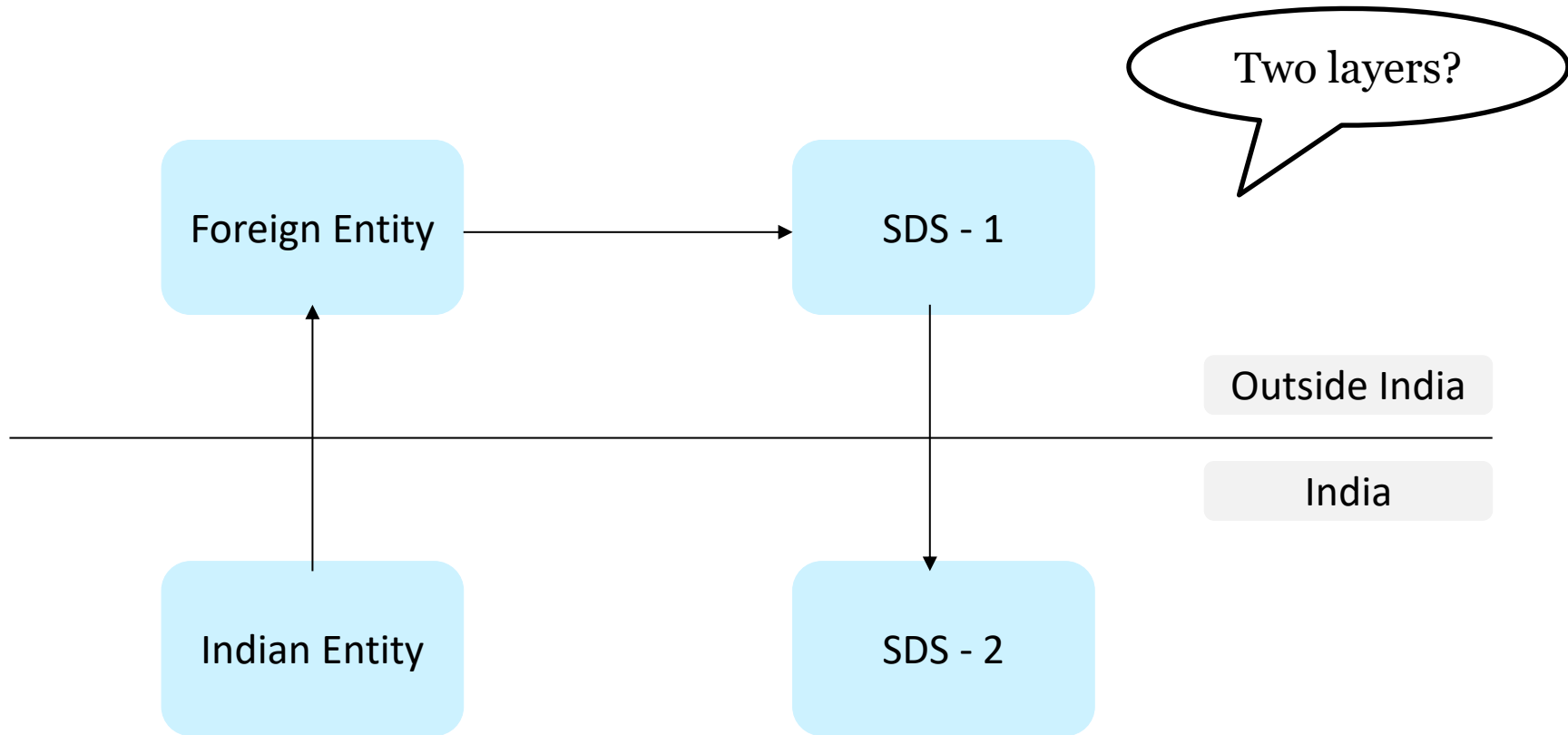


Deemed NOC

If Bank/authority fails to furnish the certificate within 60 days from the date of receipt of such application,

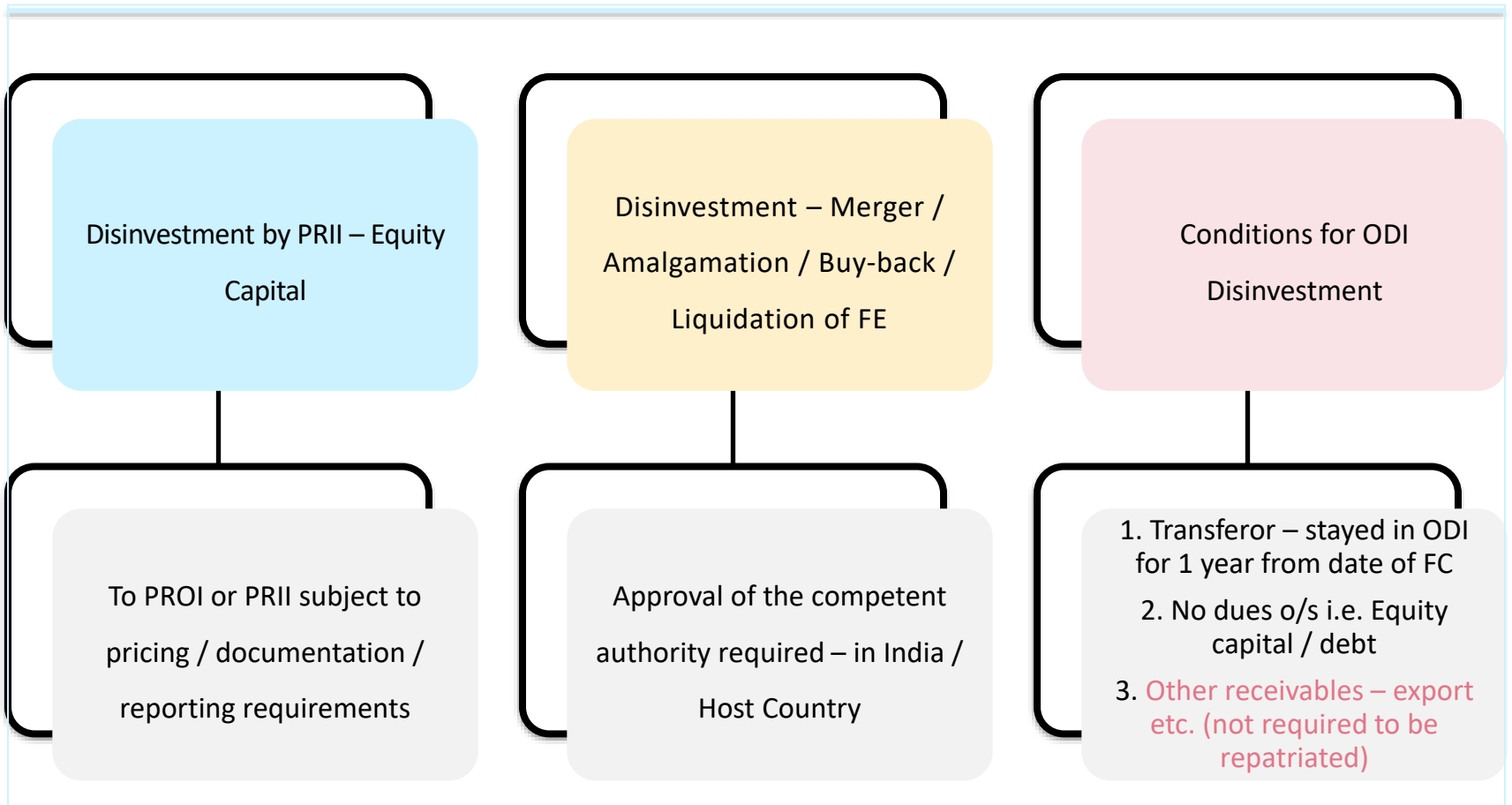
it may be presumed that there was no objection to the proposed transaction

ODI – FDI Structure



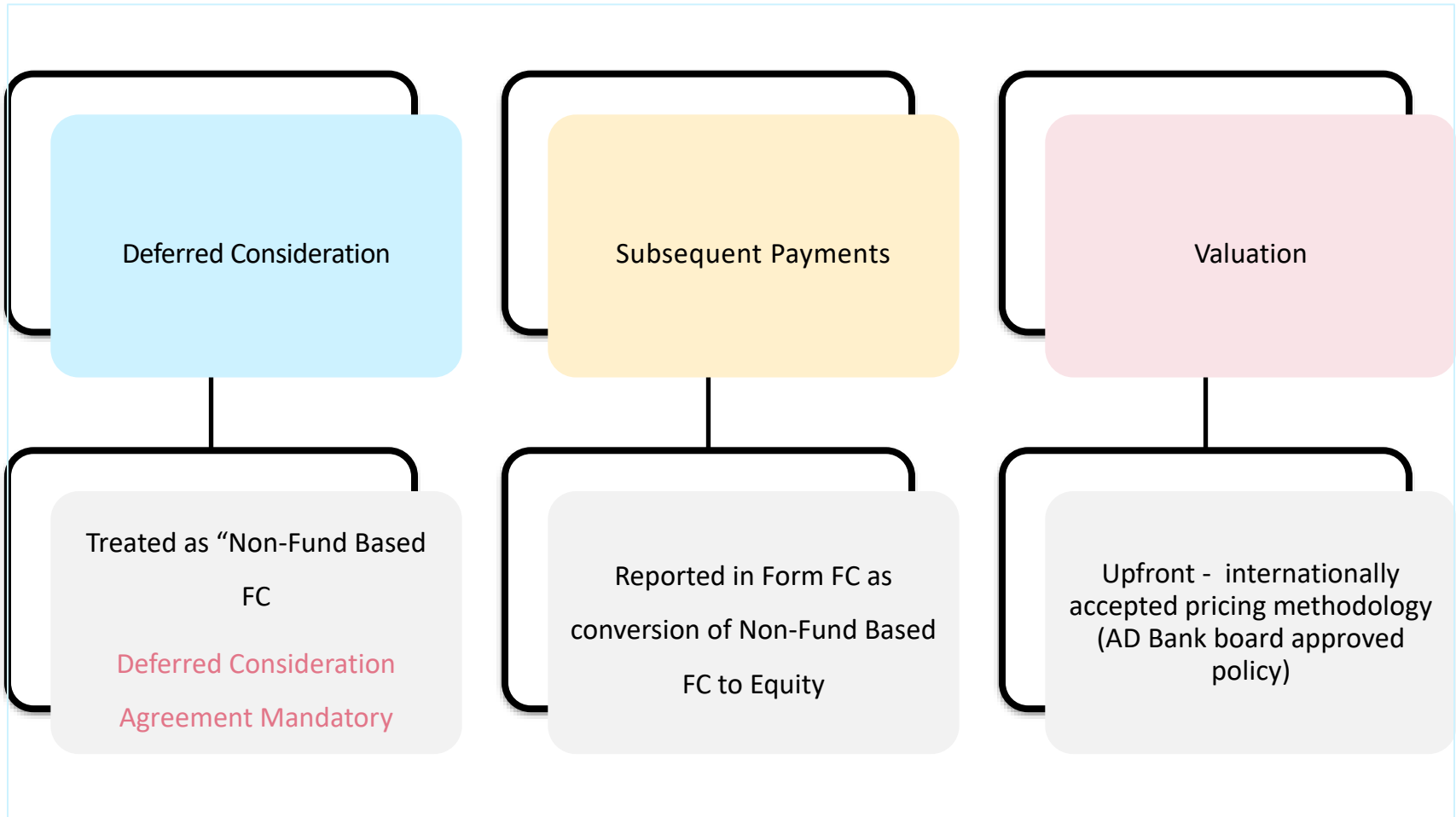
Note: Point 15 of Form FC - The level of step-down subsidiary (SDS) shall be calculated treating the foreign entity as the parent. So, an SDS directly under the direct foreign entity should be treated as first level SDS. Accordingly, an SDS under the first level SDS would be treated as second level SDS, so on and so forth.

Disinvestment + Write-off



Note: The holding of any investment or transfer thereof in any manner shall not be permitted if the initial investment was not permitted under the Act.

Deferred Consideration



Reporting Requirements

Reporting	Form		Due Dates
	OLD	NEW	
Reporting of Initial Investment / Financial Commitment	Form ODI – Part I	Form FC – Section A to E	At the time of making investment
Reporting of Subsequent Investment / Financial Commitment	Form ODI – Part I	Form FC – Section B to E	At the time of making investment
Reporting of Restructuring of Investments / Financial Commitment	Form ODI – Part I	Form FC – Section F	Within 30 days
Reporting of Dis-Investments	Form ODI – Part III	Form FC – Section G	Within 30 days
Repatriation of proceeds of transfer/ Disinvestment			Within 90 days of it falling due
Annual Performance Report	Form ODI – Part II	Form APR	IE/ RI to report on or before December 31 of every year

Person excluded from APR Compliance:-

- Resident holding <10% equity capital in FE without control and No FC other than equity capital
- FE under liquidation

In case of more than one Indian entities / RI, reporting of APR to be done by person holding highest stake in FE

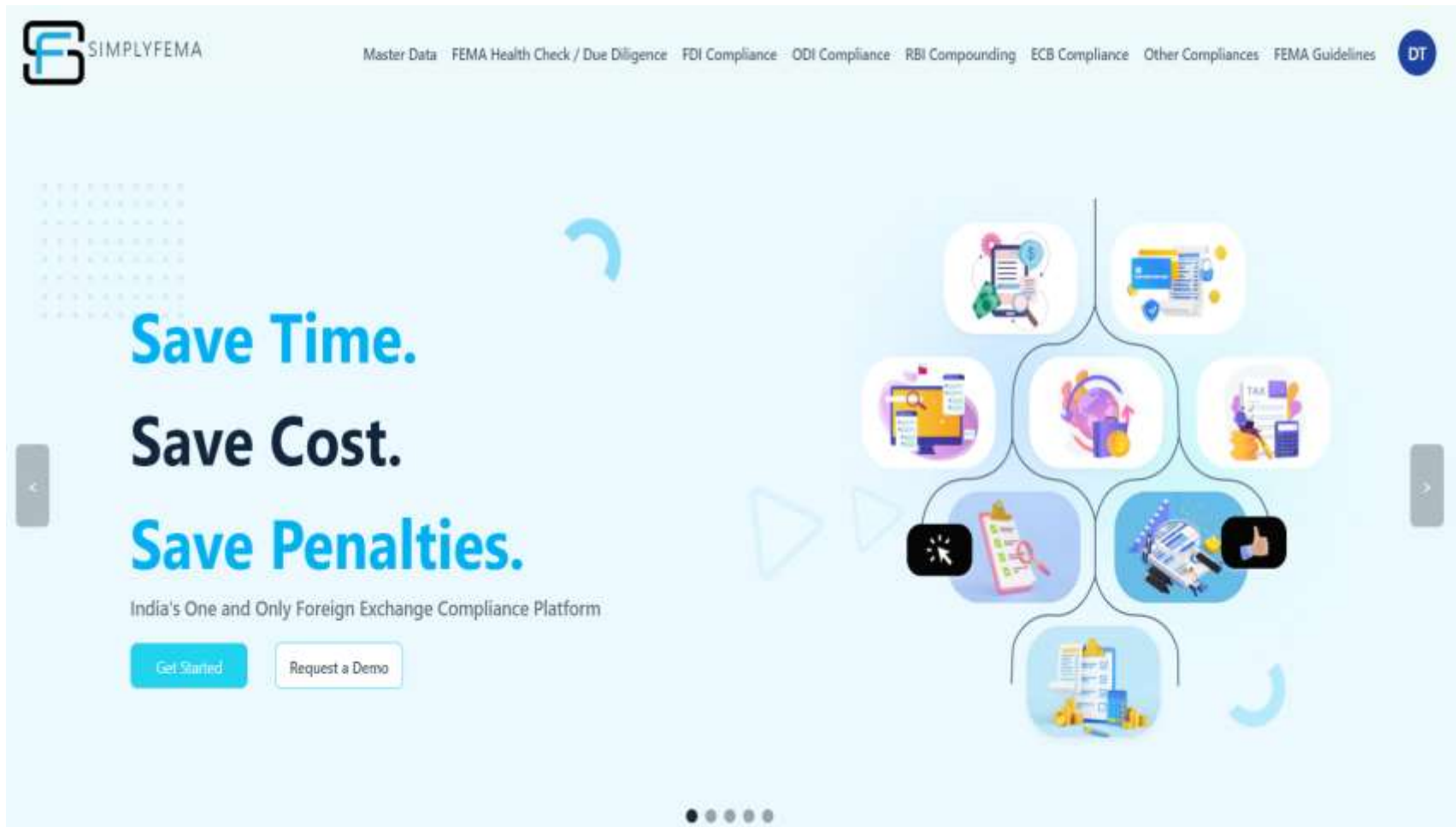
Reporting Requirements

Reporting	Form		Due Dates
	OLD	NEW	
Reporting of Overseas Portfolio Investment - Indian Entities	-----	Form OPI – Section A – Part A	Within 60 days from the end of the half-year in which investment or transfer is made
Reporting of Overseas Portfolio Investment - by resident individuals by way of ESOP/ Employee Benefits Scheme (EBS)	-----	Form OPI – Section A – Part A	within 60 days from the end of the half year in which such OPI or transfer by way of sale is made as of September or March- end
Reporting of Overseas Portfolio Investment - Mutual Funds / AIF / VCF	-----	Form OPI – Section A – Part A	within 60 days from the end of the half year in which such OPI or transfer by way of sale is made as of September or March- end
Submission of evidence of ODI	Share Certificate / Instrument Evidencing Investment	Share Certificate / Instrument Evidencing Investment	Within 6 months from the date of remittance
FLA Returns - Annual filing of Foreign Asset and Liability	Email / RBI FLA Portal	RBI FLA Portal	Indian entity need to submit by July 15 every year

Key Practical Observations



Simply FEMA – Web Application + Compliance Tool



The image shows a screenshot of the Simply FEMA website landing page. The page has a light blue background with a grid of dots on the left. The main headline reads "Save Time. Save Cost. Save Penalties." in large, bold, blue and black text. Below this, it says "India's One and Only Foreign Exchange Compliance Platform". There are two buttons: "Get Started" (blue) and "Request a Demo" (white with blue border). The top navigation bar includes the Simply FEMA logo and a list of services: Master Data, FEMA Health Check / Due Diligence, FDI Compliance, ODI Compliance, RBI Compounding, ECB Compliance, Other Compliances, and FEMA Guidelines. A "DT" button is in the top right corner. A central graphic features a cluster of icons representing various compliance and business processes, including a laptop, a document, a person, a smartphone, a thumbs up, and a building. The page also has a scroll indicator on the left and right sides and a progress indicator at the bottom center.

SIMPLYFEMA

Master Data | FEMA Health Check / Due Diligence | FDI Compliance | ODI Compliance | RBI Compounding | ECB Compliance | Other Compliances | FEMA Guidelines

DT

Save Time.
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Simply FEMA – Web Application + Compliance Tool



MD

FC APR OPI FLA

DD / HC

FDI

ODI

COC

ECB

OC

FG

Category	Form FC (Section A-E) - ODI Fresh Remittance	Form FC (Section B-E) - ODI Subsequent Remittance	Form FC (Section F) - ODI Restructuring	Form FC (Section G) - ODI Disinvestment
DD / HC	Reporting of ODI with RBI for initial / Fresh Investments / Financial Commitment in an Overseas Concern by Indian Entity / Resident Individual.	Reporting of ODI with RBI for Subsequent Investments / Financial Commitment in an Overseas Concern by Indian Entity / Resident Individual.	Reporting for Restructuring of Investments / Financial Commitment with RBI in an Overseas Concern by Indian Entity / Resident Individual	Reporting of ODI - Disinvestments with RBI in an Overseas Concern by Indian Entity / Resident Individual.
COC	Start Filling →	Start Filling →	Start Filling →	Start Filling →
ECB	Form FC (Section A-E & G) - ODI Investment - cum - Disinvestment	SDS (Step-down Subsidiary) or Capital Structure Reporting		
OC	Reporting of ODI Investments-cum-Disinvestments with RBI in an Overseas Concern by Indian Entity / Resident Individual	Reporting of SDS / Capital Structure in Section B (For changes before 22-08-2022.) with respect to its foreign entity by Indian Entity / Resident Individual		
FG	Start Filling →	Start Filling →		

Simply FEMA – Web Application + Compliance Tool



MD

DD / HC

FDI

ODI

COC

ECB

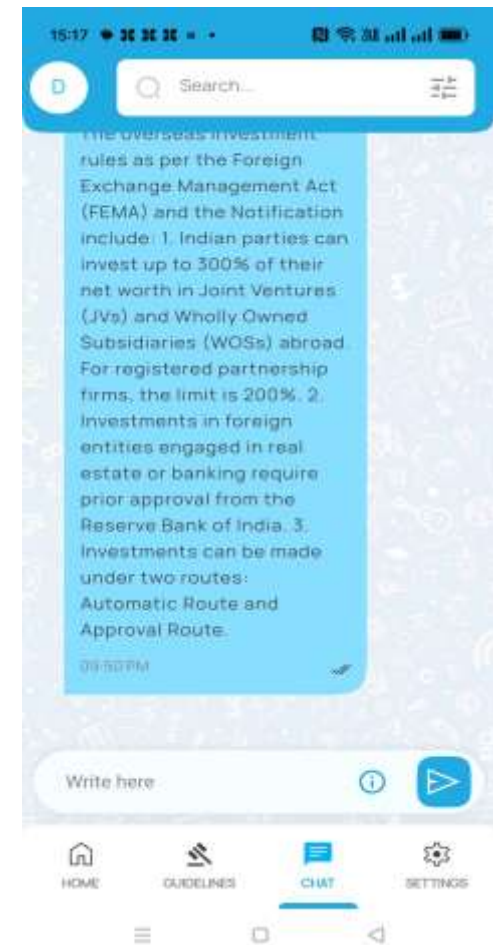
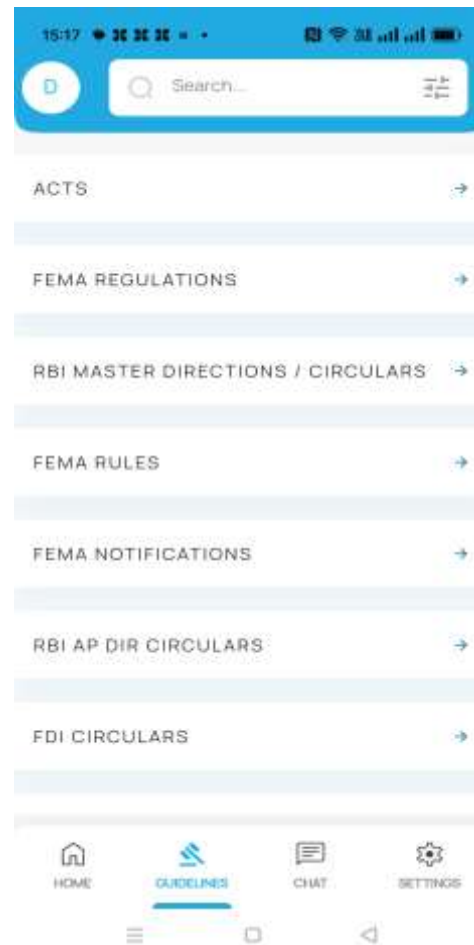
OC

FG

Compounding

Category	Item	Description	Action
DD / HC	FDI Compounding	Reporting of FDI with RBI for Issue of Capital / Equity Instruments to a person resident outside India in the Indian Company	Start Filling →
	ODI Compounding	Reporting of FDI with RBI for Issue of Capital / Equity Instruments to a person resident outside India in the Indian Company	Start Filling →
	ECB Compounding	Reporting of FDI with RBI for Issue of Capital / Equity Instruments to a person resident outside India in the Indian Company	Start Filling →
	LOBO Compounding	Reporting of FDI with RBI for Issue of Capital / Equity Instruments to a person resident outside India in the Indian Company	Start Filling →
OC	EOGS Compounding	Reporting of FDI with RBI for Issue of Capital / Equity Instruments to a person resident outside India in the Indian Company	Start Filling →
	IOGS Compounding	Reporting of FDI with RBI for Issue of Capital / Equity Instruments to a person resident outside India in the Indian Company	Start Filling →
	IP in India Compounding	Reporting of FDI with RBI for Issue of Capital / Equity Instruments to a person resident outside India in the Indian Company	Start Filling →
	CAT – Capital Compounding	Reporting of FDI with RBI for Issue of Capital / Equity Instruments to a person resident outside India in the Indian Company	Start Filling →

Simply FEMA – Mobile App + FEMA Chatbot



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