

# FEMA ke FUNDAE

**Indian Company receiving  
Foreign Investment**

**#FamiliarwithFEMA**

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**Issue No. : 4**

Hi Mr FEMA Gyani, I want to expand my business in India for which I've potential foreign investors. But I am curious, if I can issue equity shares to the foreign investor.

Hello Pratima! Yes, you can issue equity shares of your Indian Company to the foreign investor. I'll tell you the important aspects in this regard.



Pratima - The Director of Indian Company

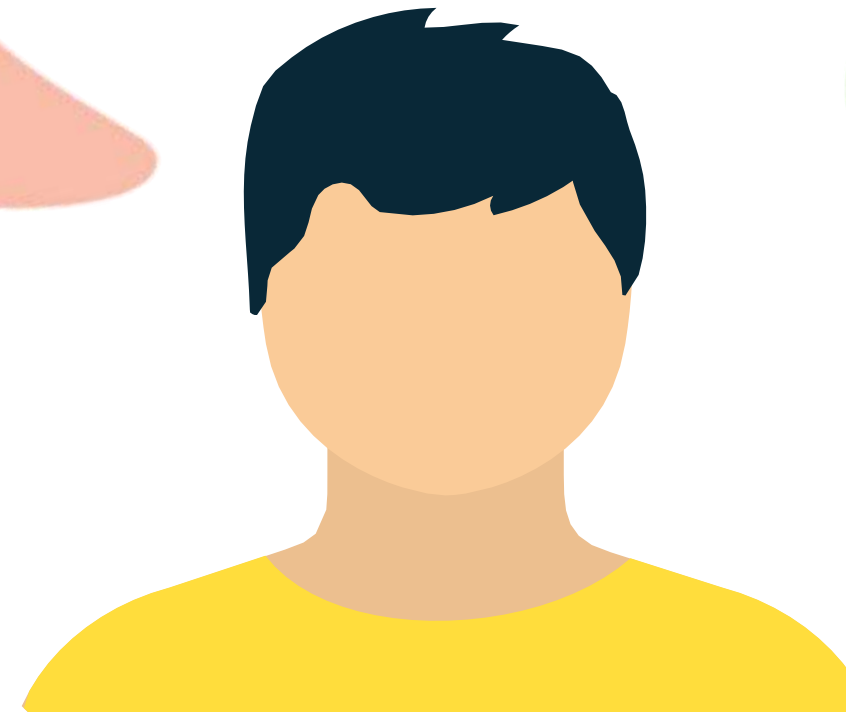
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1. If shares are issued of an existing company, then the **price at which the equity shares are issued should not be less than the fair market value** determined by a CA/Merchant Banker registered with SEBI/ practicing CMA.

2. If shares are issued of a **new company** then the investment will be by way of subscription to MOA and **shall be made at face value.**



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3. The investments should be made within **the sectoral limits** and **pricing guidelines** must be adhered.

4. Your company will have to report the investments received from the foreign investor with the RBI by filing **form FC-GPR.**

5. FC-GPR must be filed with RBI within **30 days from the date of issue of shares.**



Pratima

Okay. One last question, can I get the money for equity shares through transferwise or western union money transfer as they levy less transaction fees?

No, Pratima this can't be done as the money from foreign investors for such shares has to come through a proper banking channel.



The FEMA Gyani

Oh Okay! Thanks. I will take care of that.



Pratima

# Thank You!

Let's meet every  
Wednesday.

To make you more familiar with FEMA,  
we are happy to listen to your

Comments

Feedbacks

Suggestions



**The FEMA Gyani**

**Jain Shrimal & Co.**



<https://www.linkedin.com/company/jsco>  
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