# SECURITIES AND EXCHANGE BOARD OF INDIA
# (FOREIGN VENTURE CAPITAL INVESTORS) REGULATIONS, 2000

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**THE GAZETTE OF INDIA**
**EXTRA ORDINARY**
**PART II SECTION 3 SUB-SECTION (ii)**
**PUBLISHED BY AUTHORITY**
**MUMBAI**
**THE 15th DAY OF SEPTEMBER, 2000**

**NOTIFICATION**

# SECURITIES AND EXCHANGE BOARD OF INDIA (FOREIGN VENTURE CAPITAL INVESTORS) REGULATIONS, 2000

**S.O. 832 (E).** In exercise of the powers conferred by sub-section (1) of Section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Securities and Exchange Board of India hereby makes the following regulations namely:-

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## CHAPTER I
## PRELIMINARY

**Short title and commencement.**

**1.** (1) These regulations may be called the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000.

(2) They shall come into force on the date of their publication in the Official Gazette.

**Definitions.**

**2.** (1) In these regulations, unless the context otherwise requires,—

(a) "Act" means the Securities and Exchange Board of India Act, 1992 (15 of 1992);

(b) "certificate" means a certificate of registration granted by the Board under regulation 7;

(c) "designated bank" means any bank in India which has been permitted by the Reserve Bank of India to act as banker to the Foreign Venture Capital Investor;

(d) "domestic custodian" means a person registered under the Securities and Exchange Board of India (Custodian of Securities) Regulations, 1996;

[1][(e) [2][* * *]

(ee) "Inspection or Investigation Officer" means an officer appointed by the Board, under regulation 16;]

(f) "equity linked instruments" includes instruments convertible into equity share or share warrants, preference shares, debentures compulsorily; [3][or optionally] convertible into equity;]

[4][(g) "foreign venture capital investor" means an investor incorporated and established outside India, is registered under these Regulations and proposes to make investment in accordance with these Regulations;]

(h) "form" means any of the forms set out in the First Schedule;

(i) "investible funds" means the fund committed for investments in India net of expenditure for administration and management of the fund;

(j) [5][***]

(k) "Schedule" means a schedule annexed to these regulations;

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[1] Clauses (e) and (ee) substituted for clause (e) by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2001, w.e.f. 07-6-2001.

[2] Omitted by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2004, w.e.f. 27-9-2002. Earlier clause (e) as amended by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2001, w.e.f. 7-6-2001, read as under:

'(e) "enquiry or investigating officer" means an enquiry or investigating officer appointed by the Board, under regulation 16.'

[3] Inserted by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2004, w.e.f. 5-4-2004.

[4] Substituted, *ibid*. Prior to its substitution, it read as under:

'(g) "Foreign venture capital Investor" means an investor incorporated, established outside India, which proposes to make investment in venture capital fund(s) or venture capital undertakings in India and is registered under these Regulations.'

[5] Omitted by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2014, w.e.f. 30.12.2014. Prior to its omission, clause (j) read as under:

"(j) "negative list" means a list of items as specified in Third Schedule;"

[1][(l) “Venture Capital Fund” means a fund registered with the Board under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 or under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 in the sub-category of “Venture Capital Fund’ under Category I Alternative Investment Fund.

[2][(m) “Venture Capital undertaking” means a domestic company:

i) Which is not listed on a recognised stock exchange in India at the time of making investment; and

ii) Which is engaged in the business for providing services, production or manufacture of article or things and does not include following activities or sectors:

(1)non-banking financial companies, other than Core Investment Companies (CICs) in the infrastructure sector, Asset Finance Companies (AFCs), and Infrastructure Finance Companies (IFCs) registered with Reserve Bank of India;

(2) gold financing;

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[1]Substituted by the SEBI(Alternative Investment Funds) Regulations, 2012 w.e.f. May 21, 2013. Prior to substitution it read as under:

"(l) Venture Capital Fund" means a Fund established in the form of a Trust, a company including a body corporate and registered under Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, which

(i) has a dedicated pool of capital;
(ii) raised in the manner specified under the Regulations; and
(iii) invests in accordance with the Regulations;

(m) "venture capital undertaking" means a domestic company:—

(i) whose shares are not listed in a recognised stock exchange in India;
(ii) which is engaged in the business of providing services, production or manufacture of articles or things, but does not include such activities or sectors which are specified in the negative list by the Board, with approval of Central Government, by notification in the Official Gazette in this behalf."

[2]Substituted by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2014, w.e.f. 30.12.2014. Prior to substitution, Clause (m) as amended by the SEBI (Alternative Investment Funds) Regulations, 2012 w.e.f. May 21, 2013 read as under:

(m) “Venture Capital undertaking” means a venture capital undertaking as defined under clause(aa) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.

(3)activities not permitted under industrial policy of Government of India;

(4) any other activity which may be specified by the Board in consultation with Government of India from time to time.]]

(2) Words and expressions used and not defined in these regulations but defined in the Act or Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 [1][orSecurities and Exchange Board of India (Alternative Investment Funds) Regulation, 2012] shall have the same meaning as are respectively assigned to them in the Act or the said regulations.

## CHAPTER II

## REGISTRATION OF FOREIGN VENTURE CAPITAL INVESTORS

**Application for grant of certificate.**

**3.** For the purposes of seeking registration under these regulations, the applicant shall make an application to the Board in Form A along with the application fee as specified in Part A of the Second Schedule to be paid in the manner specified in Part B thereof.

**Eligibility Criteria.**

**4.** (1) For the purpose of the grant of a certificate to an applicant as a Foreign Venture Capital Investor, the Board shall consider the following conditions for eligibility, namely:-

(a) the applicants track record, professional competence, financial soundness, experience, general reputation of fairness and integrity.

(b) Whether the applicant has been granted necessary approval by the Reserve Bank of India for making investments in India; [2][* * *]

(c) whether the applicant is an investment company, investment trust, investment partnership, pension fund, mutual fund, endowment fund,

[1]Inserted by the SEBI(Alternative Investment Funds) Regulations, 2012 w.e.f. May 21, 2013.

[2] Word "or" omitted by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2001, w.e.f. 7-6-2001.

university fund, charitable institution or any other entity incorporated outside India; or

(d) whether the applicant is an asset management company, investment manager or investment management company or any other investment vehicle incorporated outside India; [1][* * *]

(e) whether the applicant is authorised to invest in venture capital fund or carry on activity as a [2][foreign venture capital investors]; [3][or Alternative Investment Fund] [4][* * *]

(f) whether the applicant is regulated by an appropriate foreign regulatory authority or is an income tax payer; or submits a certificate from its banker of its or its promoter's track record where the applicant is neither a regulated entity nor an income tax payer.

(g) the applicant has not been refused a certificate by the Board.

(h) whether the applicant is a fit and proper person.

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**[5][Criteria for fit and proper person].**

**4A.** For the purposes of determining whether an applicant or the foreign venture capital investor is a fit and proper person the Board may take into account the criteria specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.]

**Furnishing of information, clarification.**

**5.** The Board may require the applicant to furnish such further information as it may consider necessary.

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[1] Word "or" omitted, *ibid*.

[2] Substituted for "venture capital fund", *ibid.*

[3] Inserted by the SEBI(Alternative Investment Funds) Regulations, 2012 w.e.f. May 21, 2013.

[4] Word "or" omitted, *ibid*.

[5] Substituted by the (Intermediaries) Regulations, 2008, w.e.f. 26-5-2008. Prior to its substitution, regulation 4A as inserted by the SEBI (Criteria for Fit and Proper Person) Regulations, 2004, w.e.f. 10-3-2004, read as under:

"4A. Applicability of the Securities and Exchange Board of India (Criteria for Fit and Proper Person) Regulations, 2004.—The provisions of the Securities and Exchange Board of India (Criteria for fit and proper person) Regulations, 2004 shall, as for as may be, apply to all applicants or the foreign venture capital investors under these regulations."

**Consideration of application**

**6.** An application which is not complete in all respects shall be rejected by the Board:

Provided that, before rejecting any such application, the applicant shall be given an opportunity to remove, within thirty days of the date of receipt of communication, the objections indicated by the Board.

Provided further that the Board may, on being satisfied that it is necessary to extend the period specified above may extend such period not beyond ninety days.

**Procedure for grant of certificate.**

**7.** (1) If the Board is satisfied that the applicant is eligible for the grant of certificate, it shall send an intimation to the applicant.

(2) On receipt of intimation, the applicant shall pay to the Board, the registration fee specified in Part A of the Second Schedule in the manner specified in Part B thereof.

(3) The Board shall on receipt of the registration fee grant a certificate of registration in Form B.

**Conditions of certificate.**

**8.** The certificate granted to the foreign venture capital [1][investor] under regulation 7 shall be *inter alia*, subject to the following conditions, namely:-

(a) it shall abide by the provisions of the Act, and these regulations;

(b) it shall appoint a domestic custodian for purpose of custody of securities;

(c) it shall enter into arrangement with a designated bank for the purpose of operating a special non-resident rupee or foreign currency account.

(d) it shall forthwith inform the Board in writing if any information or particulars previously submitted to the Board are found to be false or misleading in

[1] Substituted for "fund" by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2001, w.e.f. 7-6-2001.

any material particular or if there is any change in the information already submitted.

**Procedure where certificate is not granted.**

**9.** (1) On considering an application made under regulation 3, if the Board is of the opinion that a certificate should not be granted, it may reject the application after giving the applicant a reasonable opportunity of being heard.

(2) The decision of the Board to reject the application shall be communicated to the applicant.

**Effect of refusal to grant certificate.**

**10.** Any applicant whose application has been rejected under regulation 9 shall not carry on any activity as a Foreign Venture Capital Investor.

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## CHAPTER III

## INVESTMENT CONDITIONS AND RESTRICTIONS

**Investment Criteria for a Foreign Venture Capital Investor.**

**11.** All investments to be made by a foreign venture capital investors shall be subject to the following conditions:-

(a) it shall disclose to the Board its investment strategy.

(b) [1][* * *] it can invest its total funds committed in one venture capital fund [2][or alternative investment fund] [3][***].

(c) it shall make investments [4][* * *] as enumerated below:

(i) atleast [5][66.67%] of the investible funds shall be invested in unlisted equity shares or equity linked instruments [6][of [1][venture capital

[1] Word "while" omitted by the SEBI (Foreign Venture capital Investors) (Amendment) Regulations, 2004, w.e.f. 5-4-2004.
[2] Inserted by the SEBI(Alternative Investment Funds) Regulations, 2012 w.e.f. May 21, 2013.
[3] Words "it shall however not invest more than 25% of the funds committed for investments to India in one Venture Capital Undertaking" omitted by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2004, w.e.f. 5-4-2004.
[4] Words "in the Venture Capital Undertaking" omitted, *ibid*.
[5] Substituted for "75%", *ibid*.
[6] Inserted, *ibid*.

undertaking or investeecompany as defined in clause (o) of sub-regulation (1) of regulation 2 of Securities andExchange Board of India (Alternative Investment Funds) Regulation, 2012];

(ii) not more than [2][33.33%] of the investible funds may be invested by way of:

(a) subscription to initial public offer of a [3][venture capital undertaking or investeecompany as defined in clause (o) of sub-regulation (1) of regulation 2 of Securities andExchange Board of India (Alternative Investment Funds) Regulation, 2012] whose shares are proposed to be listed [4][* * *];

(b) debt or debt instrument of a [5][venture capital undertaking or investeecompany as defined in clause (o) of sub-regulation (1) of regulation 2 of Securities andExchange Board of India (Alternative Investment Funds) Regulation, 2012] in which the [6][foreign venture capital investor] has already made an investment by way of equity;

[7][(c) preferential allotment of equity shares of a listed company subject to lock in period of one year.

*Explanation 1*.—For the purposes of these regulations, a financially weak company" means a company, which has at the end of the previous financial year accumulated losses, which has resulted in erosion of more than 50% but less than 100% of its networth as at the beginning of the previous financial year;

(d) it shall disclose the duration of life cycle of the fund;

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[1] Substituted by the SEBI(Alternative Investment Funds) Regulations, 2012 w.e.f. May 21, 2013 for the words "Venture Capital Undertaking".

[2] Substituted for "25%", *ibid*.

[3] Substituted by the SEBI(Alternative Investment Funds) Regulations, 2012 w.e.f. May 21, 2013 for the words "Venture Capital Undertaking".

[4] Words "subject to lock-in period of one year" omitted, *ibid.*

[5] Substituted by the SEBI(Alternative Investment Funds) Regulations, 2012 w.e.f. May 21, 2013 for the words "Venture Capital Undertaking".

[6] Substituted for "Venture capital fund" by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2001, w.e.f. 7-6-2001.

[7] Inserted by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2004, w.e.f. 5-4-2004.

(e) special purpose vehicles which are created for the purpose of facilitating or promoting investment in accordance with these Regulations.

*Explanation*.—The investment conditions and restrictions stipulated in clause (c) of regulation 11 shall be achieved by the Foreign Venture Capital Investor by the end of its life cycle.]

## CHAPTER IV

## GENERAL OBLIGATIONS AND RESPONSIBILITIES

**Maintenance of books and records.**

**12.** (1) Every Foreign Venture Capital Investor shall maintain for a period of eight years, books of accounts, records and documents which shall give a true and fair picture of the state of affairs of the Foreign Venture Capital Investor.

(2) Every Foreign Venture Capital Investor shall intimate to the Board, in writing, the place where the books, records and documents referred to in sub-regulation (1) are being maintained.

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**Power to call for information.**

**13.** (1) The Board may at any time call for any information from a Foreign Venture Capital Investor with respect to any matter relating to its activity as a Foreign Venture Capital Investor.

(2) Where any information is called for under sub-regulation (1) it shall be furnished within the time specified by the Board.

**General Obligations and Responsibilities.**

**14.**(1) Foreign Venture Capital Investor or a global custodian acting on behalf of the foreign venture capital investor shall enter into an agreement with the domestic custodian to act as a custodian of securities for Foreign Venture Capital Investor.

(2) Foreign Venture Capital Investor shall ensure that domestic custodian takes steps for,-

(a) monitoring of investment of Foreign Venture Capital Investors in India

(b) furnishing of periodic reports to the Board

(c) furnishing such information as may be called for by the Board.

**Appointment of designated bank.**

**15.** Foreign Venture Capital Investor shall appoint a branch of a bank approved by Reserve Bank of India as designated bank for opening of foreign currency denominated accounts or special non-resident rupee account.

## CHAPTER V

## INSPECTION AND INVESTIGATIONS

**Board's right to inspect or investigate.**

**16.** The Board may, suo-moto or upon receipt of information or complaint, cause an inspection or investigation to be made in respect of conduct and affairs of any foreign venture capital investor by an Officer whom the Board considers fit for any of the following reasons namely:-

(a) to ensure that the books of account, records and documents are being maintained by the foreign venture capital investor in the manner specified in these regulations.

(b) to inspect or investigate into complaints received from investors, clients or any other person, on any matter having a bearing on the activities of the foreign venture capital investor;

(c) to ascertain whether the provisions of the Act and these regulations are being complied with by the foreign venture capital investor; and

(d) to inspect or investigate suo-moto into the affairs of a foreign venture capital investor in the interest of the securities market or in the interest of investors.

**Obligation of Foreign Venture Capital Investor on investigation or inspection by Board.**

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**17.** (1) It shall be the duty of every Foreign Venture Capital Investor in respect of whom an inspection or investigation has been ordered under regulation 16 and any other person associated who is in possession of relevant information pertaining to conduct and affairs of such Foreign Venture Capital Investor including asset management company or fund manager, to produce to the Inspecting or Investigating Officer such books, accounts and other documents in his custody or control and furnish him with such statements and information as the said Officer may require for the purposes of the inspection or investigation.

(2) It shall be the duty of Foreign Venture Capital Investor and any other person associated who is in possession of relevant information pertaining to conduct and affairs of the Foreign Venture Capital Investor to give to the Inspecting or Investigating Officer all such assistance and shall extend all such co-operation as may be required in connection with the inspections or investigations and shall furnish such information sought by the Inspecting or Investigating Officer in connection with the inspections or investigations.

(3) The Inspecting or Investigating Officer shall, for the purposes of inspection or investigation, have power to examine on oath and record the statement of any person responsible for or connected with activities of Foreign Venture Capital Investor or any other person associated having relevant information pertaining to such Foreign Venture Capital Investor.

(4) The Inspecting or Investigating Officer shall, for the purposes of inspection or investigation, have power to get authenticated copies of documents, books, accounts of Foreign Venture Capital Investor, from any person having control or custody of such documents, books or accounts.

**Submission of the Report.**

**18.** The Inspecting or Investigating Officer shall on completion of inspection or investigations, submit a report to the Board.

**Board's right to issue any direction to Foreign Venture Capital Investor.**

**19.** The Board may after consideration of the inspection or investigation report and after giving a reasonable opportunity of hearing to the Foreign Venture Capital Investor, require it to take such measure or issue such directions as it deems fit in the interest of capital market and investors, including directions in the nature of: -

(a) requiring the person concerned to dispose of the securities or disinvest in a manner as may be specified in the directions;

(b) requiring the person concerned not to further invest for a particular period;

(c) prohibiting the person concerned from operating in the capital market in India for a specified period.

## CHAPTER VI
## PROCEDURE FOR ACTION IN CASE OF DEFAULT

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**Board's right to suspend or cancel certificate of registration.**

**20.** Without prejudice to the appropriate directions or measures under regulation 19, it may after consideration of the investigation report, initiate action for suspension or cancellation of the registration of such Foreign Venture Capital Investor:

Provided that no such certificate of registration shall be suspended or cancelled unless the procedure specified in regulation 23 is complied with.

**Suspension of certificate.**

**21.** The Board may suspend the certificate where the Foreign Venture Capital Investor:

(a) contravenes any of the provisions of the Act or these regulations;

(b) fails to furnish any information relating to its activity as a Foreign Venture Capital Investor as required by the Board;

(c) furnishes to the Board information which is false or misleading in any material particular;

(d) does not submit periodic returns or reports as required by the Board;

(e) does not co-operate in any enquiry or inspection conducted by the Board;

**Cancellation of certificate.**

**22.** The Board may cancel the certificate granted to a Foreign Venture Capital Investor: -

(a) when the Foreign Venture Capital Investor is guilty of fraud or has been convicted of an offence involving moral turpitude;

*Explanation*.—The expression "fraud" has the same meaning as is assigned to it in section 17 of the Indian Contract Act, 1872. (9 of 1872);

(b) the Foreign Venture Capital Investor has been guilty of repeated defaults of the nature mentioned in the regulation 21; or

(c) Foreign Venture Capital Investor does not continue to meet the eligibility criteria laid down in these regulations;

(d) contravenes any of the provisions of the Act or these regulations.

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**Manner of making order of cancellation or suspension.**

**23.** No order of penalty or cancellation of certificate shall be imposed on the Foreign Venture Capital Investor except after holding an enquiry in accordance with the procedure specified in [1][Chapter V of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008].

**24** to **27.**[2][* * *]

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[1] Substituted for the Securities and Exchange Board of India (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002" by the SEBI (Intermediaries) Regulations, 2008, w.e.f. 26-5-2008. Earlier it was amended by the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, w.e.f. 27-9-2002.

[2] Regulations 24 to 27 omitted by the SEBI (Procedure for Holding Enquiry by Enquiry Officer and Imposing Penalty) Regulations, 2002, w.e.f. 27-9-2002. Prior to its omission, it read as under:

"24. *Manner of holding enquiry before suspension or cancellation.*—(1) For the purpose of holding an enquiry under regulation 23, the Board may appoint one or more enquiry officers.

(2) The enquiry officer shall issue to the Foreign Venture Capital Investors, at its registered office or its principal place of business or its agent or representative in India, a notice setting out the grounds on which action is proposed to be taken against it and calling upon it to show cause against such action within a period of fourteen days from the date of receipt of the notice.

**Action against intermediary.**

**28.** The Board may initiate action for suspension or cancellation of registration of an intermediary holding a certificate of registration under section 12 of the Act who fails to exercise due diligence in the performance of its functions or fails to comply with its obligations under these regulations:

Provided that no such certificate of registration shall be suspended or cancelled unless the procedure specified in the regulations applicable to such intermediary is complied with.

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(3) The Foreign Venture Capital Investor may, within fourteen days from the date of receipt of such notice, furnish to the enquiry officer a written reply, together with copies of documentary or other evidence relied on by it or sought by the Board from the Foreign Venture Capital Investor.
(4) The enquiry officer shall give a reasonable opportunity of hearing to the Foreign Venture Capital Investor to enable him to make submissions in support of its reply made under sub-regulation (3).
(5) Before the enquiry officer, the Foreign Venture Capital Investor may appear through any person duly authorised by the Foreign Venture Capital Investor:

Provided that no lawyer or advocate shall be permitted to represent the Foreign Venture Capital Investors at the enquiry:

Provided further that where a lawyer or an advocate has been appointed by the Board as a presenting officer under sub-regulation (6), it shall be lawful for the Foreign Venture Capital Investor to present its case through a lawyer or advocate.
(6) The enquiry officer may, if he considers it necessary, ask the Board to appoint a presenting officer to present its case.
(7) The enquiry officer shall, after taking into account all relevant facts and submissions made by the Foreign Venture Capital Investor, submit a report to the Board and recommend the penal action, if any, to be taken against the Foreign Venture Capital Investor as also the grounds on which the proposed action is justified.

25. *Show-cause notice and order*.—(1) On receipt of the report from the enquiry officer, the Board shall consider the same and may issue to the Foreign Venture Capital Investor a show-cause notice as to why the penal action as proposed by the enquiry officer or such appropriate action should not be taken against it.
(2) The Foreign Venture Capital Investor shall, within fourteen days of the date of the receipt of the show-cause notice, send a reply to the Board.
(3) The Board, after considering the reply, if any, of the Foreign Venture Capital Investor, shall, as soon as possible pass such order as it deems fit.

26. *Effect of suspension and cancellation of certificate*.—(1) On and from the date of the suspension of the certificate, the Foreign Venture Capital Investor shall cease to carry on any activity as a Foreign Venture Capital Investor during the period of suspension, and shall be subject to such directions of the Board with regard to any records, documents or securities that may be in its custody or control, relating to its activities as Foreign Venture Capital Investor, as the Board may specify.
(2) On and from the date of cancellation of the certificate, the Foreign Venture Capital Investor shall, with immediate effect, cease to carry on any activity as a Foreign Venture Capital Investor, and shall be subject to such directions of the Board with regard to the transfer of records, documents or securities that may be in its custody or control, relating to its activities as Foreign Venture Capital Investor, as the Board may specify.

27. *Publication of order of suspension or cancellation*.—The order of suspension or cancellation of certificate passed under regulation 25 may be published by the Board in two newspapers."

**Appeal to [1][Securities Appellate Tribunal].**

**29.** Any person aggrieved by an order of the Board under these regulations may prefer an appeal to the Securities Appellate Tribunal in accordance with section 15T of the Act.

## FIRST SCHEDULE

## FORMS

## FORM A

## SECURITIES AND EXCHANGE BOARD OF INDIA

## (FOREIGN VENTURE CAPITAL INVESTORS) REGULATIONS, 2000

[See Regulation 3]

## APPLICATION FORM FOR GRANT OF CERTIFICATE OFREGISTRATION AS FOREIGN VENTURE CAPITAL INVESTORWITH THE SECURITIES AND EXCHANGE BOARD OF INDIA

SECURITIES AND EXCHANGE BOARD OF INDIA
Mittal Court `B' Wing, 1st Floor
Nariman Point, Bombay - 400 021, INDIA

**1.** Name, address, telephone no., telex no. and fax no. of the applicant. In case the applicant has a representative office in India, the particulars may also be given for that office.

**2.** Please indicate whether the applicant belongs to any one or more of the following categories:

[1] Substituted for "Securities and Exchange Board of India" by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2001, w.e.f. 7-6-2001.

Pension Fund, Mutual Fund, Investment Trust, Investment company, Investment trust, Investment partnership, Asset Management Company, Investment manager, Investment Management Company, Endowment fund, University fund, Charitable institutions or any other investment vehicle incorporated and established outside India

**3.**(a) The date and place of incorporation of the applicant. (Details of statute under which incorporated).

(b) Brief description of the principal activities of the applicant and the year of commencement of such activities.

(c) Brief description of the group, if any, to which the applicant belongs.

**4.** Whether any of the following documents are submitted?

i. Copy of certificate of registration with home regulator; or

ii. Copy of income tax return filed in the home country; or

iii. Copy of bankers certificate fair track record of the applicant

**5.** Please also state whether there has been any instance of violation or non-adherence to the securities laws, code of ethics/conduct, code of business rules, for which the applicant, or its parent/ holding company or affiliate may have been subjected to economic, or criminal liability or suspended from carrying out its operations, or the registration has been revoked, temporarily or permanently. If no, submit an undertaking.

**6.** Please indicate the names of the clients on whose behalf you propose to invest in India.

**7.** Please indicate the manner in which you propose to conduct your investments in India i.e. whether through an establishment in India or through any other office outside India. Please give details, and also the name of the contact person/compliance officer.

**8.** Name and address of the designated bank branch in India through whom investment is proposed to be made.

**9.** a) Name, address, telephone no., telex no., and fax no. of the domestic custodian. Please also present the background information on the custodian, including volume of business handled, organisational infrastructure and the

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number of investment companies for which the domestic custodian is acting, or has acted, as custodian.

b) Particulars of the agreement entered into with the domestic custodian.

We hereby agree and declare that the information supplied in the application, including the attachment sheets, is complete and true.

And we further agree that we will immediately notify the Securities and Exchange Board of India of any change in the information provided in the application.

We further agree that we shall comply with the provisions of the Act, and regulations issued thereunder and all other relevant laws.

We further agree that as a condition of grant of certificate of registration, we shall abide by such operational instructions/ directives as may be issued by Securities and Exchange Board of India under the provisions of the Act from time to time.

[1][**10.** Please furnish firm commitment letter(s) from your investors forcontribution of an amount aggregating to at least US$ 1 million.

**11.** Please furnish copies of your financial statements as well as those ofyour investors' who have provided firm commitment letter(s), for thefinancial year preceding the one during which this application is beingmade.

**12.** Please furnish name, address, contact number and the e-mail address ofall your directors.

**13.** Please furnish name, address, contact number and the e-mail address ofall your investor(s) who have provided firm commitment letter(s)required to be furnished under paragraph 10 of this Form.]

For and on behalf of_____

(Name of the applicant)

Authorised Signatory _____ _____

(Name) (Signature)

[1] Inserted by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2010, w.e.f. 21-12-2010.

Date:

Place:

Note:

1. Securities and Exchange Board of India (SEBI) reserves the right to call for any further information from the applicant regarding his application.

2. Applications, superscribed "Application for Registration of Foreign Venture Capital Investors ", should be submitted in duplicate, in sealed envelopes, at Securities and Exchange Board of India's office.

Documents to be enclosed with the application:

a. Documents to support registration or regulation by a Securities Commission and/or Self RegulatoryOrganisation, or any other appropriate regulatory/registering authority or

b. Copy of income tax return filed in the home country; or

c. Copy of bankers certificate for fair track record of the applicant

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**FORM B**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**(FOREIGN VENTURE CAPITAL INVESTORS) REGULATIONS, 2000**

[See Regulation 7(3)]

**Certificate of Registration as Foreign Venture Capital Investor**

I. In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, (15 of 1992) read with the regulations made thereunder the Board hereby grants a certificate of registration to ---------- as a Foreign Venture Capital Investor subject to the conditions specified in the Act and in the regulations made thereunder.

II. The Registration Number of the foreign venture capital [1][investor] is IN/FVCI/ /

Date:

Place: MUMBAI

By order

Sd/-

For and on behalf of

SECURITIES AND EXCHANGE BOARD OF INDIA

**SECOND SCHEDULE**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**(FOREIGN VENTURE CAPITAL INVESTOR) REGULATIONS, 2000**

[See Regulations 3 and 7(2)]

**FEES**

[2][**PART A**

**Amount to be paid as fees**

Application fee (US$)2,500

Registration fee (US $) 10,000]

**PART B**

I. The fees specified above shall be payable [3][by way of direct credit in the bank account through NEFT/RTGS/IMPS or any other mode allowed by RBI or]by

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[1] Substituted for "fund" by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2001, w.e.f. 7-6-2001.

[2] Substituted by the SEBI (Payment of Fees) (Amendment) Regulations, 2009, w.e.f. 1-7-2009. Prior to its substitution, Part A, as substituted by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2006, w.e.f. 4-9-2006, read as under:

"**PART A**

**AMOUNT TO BE PAID AS FEES**

| | |
|---|---|
| Application fee | (US$) 5, 000/- |
| Registration fee | (US$) 20,000/- |

[3]Inserted by the SEBI (Payment of Fees and Mode of Payment) (Amendment) Regulations, 2017, w.e.f. 6-3-2017

bank draft in favour of "The Securities and Exchange Board of India" payable at Mumbai.

## [1][Third Schedule]

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[1]Omitted by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2014, w.e.f. 30.12.2014. Prior to its omission, the Third Schedule as amended by the SEBI (Foreign Venture Capital Investors) (Amendment) Regulations, 2004, w.e.f. 5-4-2004 read as under:

**THIRD SCHEDULE**

**SECURITIES AND EXCHANGE BOARD OF INDIA**

**(FOREIGN VENTURE CAPITAL INVESTOR) REGULATIONS, 2000**

[See Regulation 2 (j)]

**NEGATIVE LIST**

1. [* * *]
2. Non-banking financial services 29 [excluding those Non – Banking Financial companies which are registered with Reserve Bank of India and have been categorized as Equipment Leasing or Hire Purchase companies.
3. Gold financing 30 [excluding those companies which are engaged in gold financing for jewellery].
4. Activities not permitted under the Industrial Policy of Government of India.
5. Any other activity which may be specified by the Board in consultation with the Government of India from time to time.