
SHIKHAR
REGULAR BATCH
CA INTER MAY 2025
CORPORATE & OTHER LAWS
TOTAL HOURS
170
NO. OF LECTURES
85
~~₹10,000~~
₹8,000
CA INDRESH GANDHI
OPTION 1 LIVE STREAMING
OPTION 2 PRE RECORDED
BOOKS
Law - Volume 1, Law - Volume 2
Law Section-wise Question Bank (incl. Ans & MCQs)
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Forex $1.1 bn

1947

FERA

Too Rigid

1973

FERA

slightly good

1991

$\boxed{\text{LPG}}$

1999

FEMA

2013

$ 310 bn

2023

$ 600 bn

FERA | FEMA

Rigid | Rigid - Disclosure

FEMA

↓

Authority

Administrative

↓

MOF

↓

RBI

↓

Autho Person

Judicial

↓

Deputy Dir

↓

FEMAT

↓

HC

↓

SC

₹

mumbai - Purchase

Tony TV

China — TV asia hia → ✓ ✓

china

Dubai

GE

mumbai

PRI

✓ ✓

$

FEMA

Nike store US - Adidas show ✗

$

watch shop → ✓

Chennai → ✓

Inc India

PRI

PROI

Preamble:

Act aims to to consolidate and ammend law Related to Foreign Exchange with Objective

- Facilitating External Trade and Payment
- Promoting Orderly Development and maintenance of Foreign Exchange

Applicablity

- Whole of India
- Branch / office / Agency
  - O/s India → controlled by Resident of India
- Branch office Agency
  - In India → control ↓ O/s India

Sec 2 : Defination

① Authorised Person

Foreign security Deal ← ① Authorised Dealer

② Money changer [Full Fledge | Restricted) 5* hotel

(renewed - been) $

Part of India but not considered [SEZ] (Finance - SEZ) ← ③ Off shore Banking

④ Other - Deal Foreign Exchange.

② Capital Account transaction

Alter - Asset | liability

O/s India → PRI

In India → PROI

③ Currency - Includes

- Currency Notes, Postal Notes, Money Order, Drafts etc.

④ Currency Notes - $\boxed{\text{means}}$

cash → coin
→ Note

⑤ current Account transaction

→ other than capital A/c transaction

Include

microsoft - yearly
machine - Paint

① Payment Due in connection with Foreign trade, other Business services and Short term Banking and credit Facilities

②. Payment due as
Int on loan
Net Inc on Investment

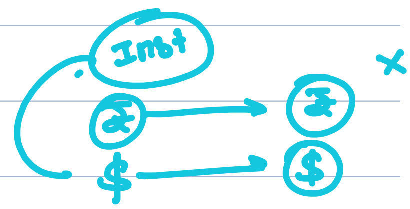
③. Remittances for Parent, spouse and children Residing abroad.

④. Expenses in connection with
Foreign travel
Education
medical care
} Parent
spouse
children

8 Foreign Exchange

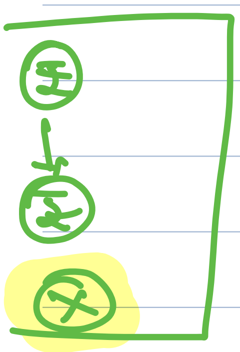
Foreign currency and Includes

Foreign currency → Currency other than Indian currency



Includes → Deposit, credit and Balance Payable → Foreign currency

Includes → Drafts, travellers cheque, letter of credit OR Bill of Exchange



Draw : Indian currency → Pay : Foreign currency

Foreign currency → Indian currency

9 Foreign security : shares, stock, Bond, Debenture or any other Instrument

Denominated Expressed

↓

Foreign currency

(Tesla share)

+ Security Express Foreign currency

ADR - GDR

↓

Redemption or any form of Return

↓

Int or Dividend

Indian currency

Person Resident in India

Chart ✓

I

Other than I

PRI - Other than Individual

Person or Body corp Registered or Incorporate In India

Branch office Agency

O/s India

↓

control

PRI

In India

↓

control

↓

PROI

D1

Person

PFY
>
182 Days

183 or more

⊕

Does not Include

↓

Person who goes O/s India

↓

CFY

Employment

Business or Vacation

Uncertain stay

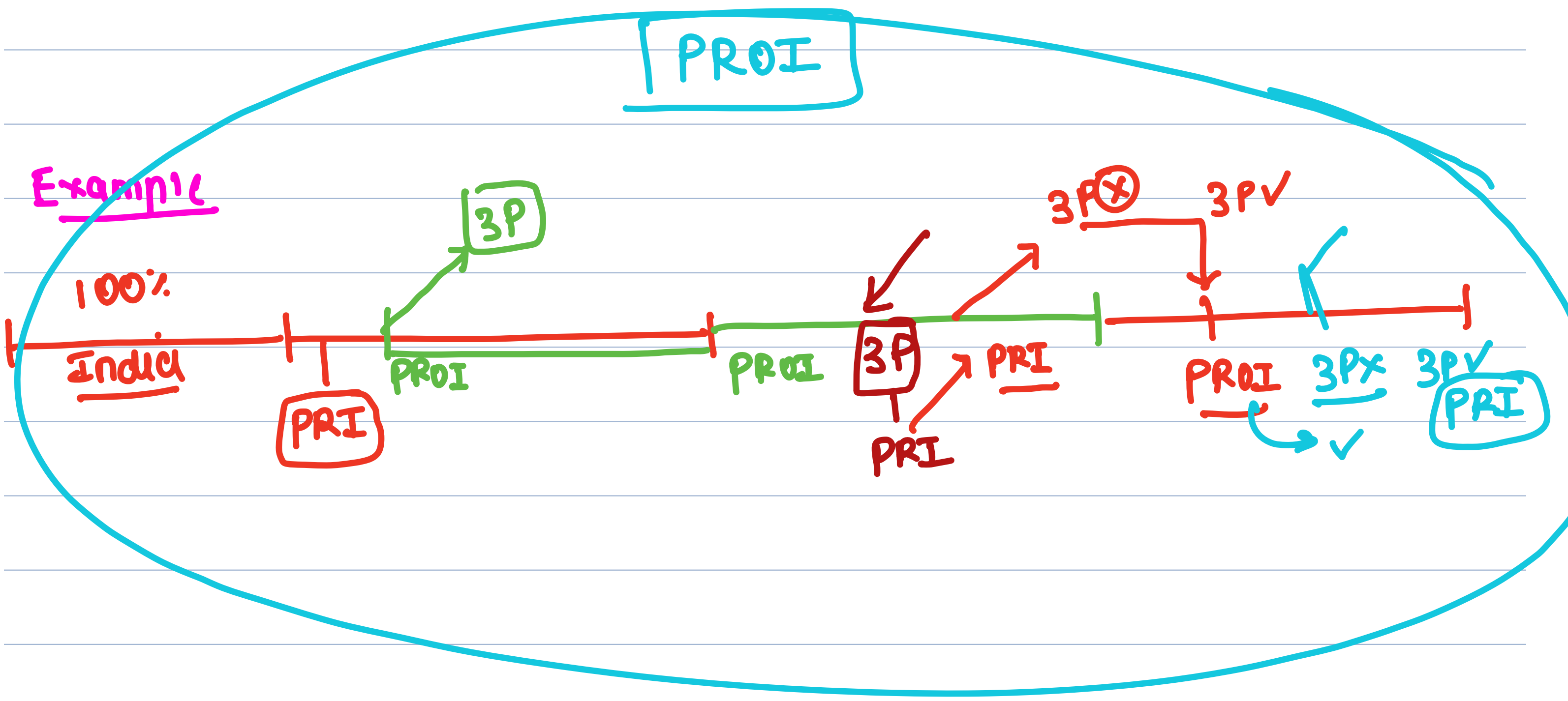
Include

comes to India

↓

3 Purpose

PRI



I — India → R ≤ 182

PROI ✗

II — R > 182 D / R < 182 Days

2019 Notification

coming in India

- other than 3 purpose → PROI
- 3 purpose → $\boxed{\text{PRI}}$

going out of India

- 3 purpose → PROI
- other than 3 purpose → PRI

In India | R > 182 | 3 purpose banner → PROI | PROI but In India → 3 pur → PRI

Sec 3 : Dealing in Foreign Exchange

No Person shall :

① Deal in or transfer any Foreign Exchange or Foreign security to any Person not being authorised Person

② make any Payment or credit to PROI

③. Receive other than through Authorised person - any payment by order or on behalf of PROI in any manner.

④. Enter in any Financial transaction in India as consideration for or in association with acquisition or creation or transfer of a Right to acquire asset o/s India by any Person.

Section 4: Holding of Foreign Exchange

No Person - RI

- acquire, hold, own, Possess
- Transfer any Foreign Exchange Foreign

Security on Immovable Property situated o/s India

Except as otherwise Provided in this act

=

Current Account transaction

Txn - Illegal x
we will not give Forex For this

Schedule I : Prohibited transaction

- lottery winning
- Racing Riding or any hobby
- Purchase → lottery ticket, Banned / Proscribe magazine
- Football Pool sweepstakes etc.

commission → Export → Equity Investment → JV / WOS of Indian company

Dividend by company to whom Dividend Balancing is Applicable

Commission → Export → Rupee state credit Route

Except

Call back service

Int Income → Non Resident

commission - 10% Invoice value

Tea

Tobacco

special Rupee scheme A/C

Schedule II : Approval of govt

HRD

Ministry of Finance

Dilluminanti

- cultural tour
- Remittance of prize money / sponsorship sport activity abroad if amt > $ 100000

Not Required if

- International
- National
- State

} Bodies are involve

1. Ads - Foreign Print media by SG / PSU for Amt > US $ 10000

No Permission

1. Promotion of tourism
2. Foreign Invest
3. International Bidding

Ministry of surface Transport

1. Remittance of freight of vessel chartered by PSU

2. Remittance of membership of P & I club.

② Paymint of Import

Ocean Transport → govt / PSU

↓

CIF Basis

Registration certificate from DGS

↓

- multimodal transport operator

↓

Remittance

↓

Agent

③ container detention charges > Rate

↓

Director general shipping (DGS)

Ministry of Info and Broadcasting

+ Ministry of communication and Info Technology

Remittance of hiring charges of Transponder by ① TV channel

② Internet service Provider

Schedule III :

For Indiviuals

Indiviuals can avail Foreign Exchange within limit of $ 250,000 for following purposes :

1. Private visit to any country other than Nepal & Bhutan

LRS
liberalise Remittance scheme
I - $ 250000

2. Gift and Donation

3. Going abroad for Employment

4. Emigration (virat kohli)

5. maintainence of close Relative

6. Travel for business or attending conference or specialise training or

meeting → medical Expenses or check up. or for accompanying attendant

7. Expenses in relation to medical treatment

8. Study abroad

9. Other current A/C txn.

→ Any Remittance for above transaction which is above limit will Require RBI Approval

→ If amt in IV, VII & VIII Exceeds LRS amount if it is Required by country of emigration, Medical Institute offering or university.

→ Further if amount is Remitted for above LRS then applicable limit shall be Reduced accordingly.

R ≯ 3yrs

Further a Person who is Resident but not permanent Resident in India and

1. citizen of Foreign state other than pakistan

2. citizen of India, who is Deputation in office or branch of Foreign co. or subsidiary of Joint venture in India of such Foreign co.

Deputation

Foreigner

India

(Rehta nai)

main person

salary

Not salary

Deduction of taxes

PF

LRS ✗

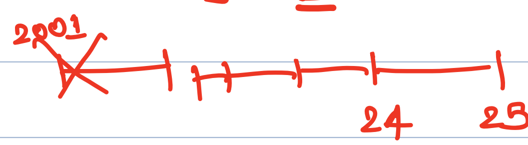
Foreign

Family

Facility for person Other than Individual :

Remittance by person Other than Individual shall Require Prior Approval of RBI :-

①. Donation > [1% of Forex Earning during Previous 3 FY] or [USD 50,00,000] - less



- creation of chair in Reputed Education Institute
- contribution to Funds Promoted by Educational Institute
- contribution to Technical Institution or Body or Association

②. commission Per transaction to Agents abroad for sale of Residential Flats or commercial Plots in India

Exceeding USD 25000

OR

5% of Inward Remittance

- more

③. Remittances Exceeding

$ 10,000,000 / Project - consultancy services
for $
Infra Project

and

$ 10,00,000 / Project - other consultancy services Procured from O/S India

④. Remittances Exceeding

5% of Investment brought in India
OR

USD 100000

higher

by an Entity in India by way of Reimbursement of Pre Incorporation Expenses.

If any transaction is not present in any of above schedule then it is Freely Permissible.

Approval is Not Needed where transaction is in schedule II and III and from Resident Foreign currency Account.

Exemption for Remittance from EEFC Account :

Expenditures

sch II and sch III

No Approval is Needed

Approval is Needed

If Payment for following is Done from EEFC

Remittance for

5% of Invest

Incorp Exp or $ 100000 = higher

Commission- Agent

Membership of P & I club

sale of Flats
Exceeds
- $ 25000
- 5% of Inward Remitt
- more

✓ capital Account transaction

Transaction which alters Assets or liability including contingent liabilities o/s India of a person Resident in India or Asset or liability in India of Person Resident o/s India - capital A/c transaction

1. Any Person may sell or Draw Foreign Exchange to or from Authorised person.

2. RBI has power to specify capital A/c txn which are permitted and in the relevant limits, terms and condition.

RBI + consultation with CG -

1. Any class or classes of capital A/c txn involving Debt Instrument are permissible

2. limit upto which Forex Admissible

3. condition may be placed on such transaction

(2A) CG + consultation with RBI

1. class of capital A/c transaction involving Debt - Not Permissible

2. limit upto which - Forex Admissible ✓

3. Any such condition ✓

(3) Deleted

4. PRI - Hold own tr/f Invest
↓
Foreign currency , Foreign security or $\boxed{\text{IP}}$

situated - o/s India (if) such

currency, security or property was Acquired held, or owned by Person
- when he was Resident O/S India or
- Inherited from a person Resident O/S India

5. PROI → Hold own Trf or Invest in Indian currency, security or IP situated in India

If

The same was Acquired, held owned by such person when he was PRI or Inherited from PRI.

Permissible txn

Allowed

Schedule I (PRI) → MVSIR

Schedule II (PROI)

Schedule I (PRI)

1. Investment in Foreign security
2. Foreign currency loan Raised in India and abroad
3. Trf of IP - O/S India (Immovable Prop)
4. Guarantees issued by PRI in favour of PROI

Schedule II (PROI)

1. Invest in India by PROI
   - Issue of security by body corp or Entity in India and Invest
   - Invest by way of contribution by PROI

by PROI

capital | Proprietor or AOP

5. Export, Import and holding of currency | currency Notes

2. Acquisition of IP

6. loans and OD by PRI to PROI

3. Guarantee by PROI in favour of PRI.

7. maintaining of Foreign currency A/c's in India & O/s India by PRI.

4. Import / Export of currency / CN into / From India by PROI

8. Taking out of Insurance Policy by PRI from Insurance co. O/s India

5. Deposit b/w PRI and PROI

9. loan & OD by PRI from 4 PROI

6. Foreign currency A/c in India by PROI

10. Remittance O/s India of capital Asset of PRI

7. Remittance O/s India of capital Asset in India

11. Derivative contracts. (option Future)

8. Undertake Derivative contract.

✓ Transaction with NO Restriction

Amortisation of loan

Depreciation of Direct Investment in ordinary course of Business

✓ Prohibited transaction

(A) PRI

NO Person shall undertake or sell or Draw Foreign Exchange to or from Authorised person for any capital A/c txn

Provided that

1. PRI may draw from Autho Person Foreign Not Exceeding $ 250000 / FY or

(B) PROI

From making Investment in India in any Form - Co., PF or Property concern or any Entity which is Engage in

1. Business of chit Fund → CG

Except

Permission Banking ...

such amt as per .RBI.
LRS

by 34 | channel | Non Rpat. Basis

②. Permission shall apply to those txn which Excludes limit of $ 250000

$.
✗

Non cooperative country
(FATF Notified)

② Nidhi co.

③. Agri or Plantation Activity

④. Real Estate business or construction of Farm house

Except

①. Develop of township, Road Bridge ④
②. constn of Flats
③ REITs
⑤ In trading of TDR

8: 34
Break !!
Resume

ⓒ

No PRI shall undertake any capital A/c txn which is not Permissible with any Person who is citizen of or a Resident of Korea or Entity Inc in Korea

ⓓ. Existing Invest txn with any Person

who is origin of voucher by PRI shall be closed / Disposed within period of 180 Days from Dt of Notification

Ans 1

Act Applicable : sec 2 of FEMA 1999

Provision:

① Person includes any Individual, office, Agency, branch owned and controlled by such person.

②. Person Resident in India includes office, Branch Agency in India owned and controlled by Person Resident ous India.

③. It also Includes any unit controlled by Person Resident in India which is outside India.

conclusion: In given scenario headquarter in pune as well as Dubai Branch is Person Resident in India

Ans 2

AA - FEMA

Provision: ①. Foreign Exchange for some current Account transaction is Prohibited. In some cases it can be obtained with Prior permission of central govt and in some cases - with Approval of RBI.

①. For Remittance out of lottery winning, it is Prohibited and is included in First Schedule of FEMA.

②. Foreign Exchange for meeting cultural tour can be withdrawn by any Person after obtaining prior Approval of govt of India - Ministry of HRD.

Ans 3

(1). Foreign Exchange drawls for cultural tour Require Prior Approval of Ministry of Human Resource Department. It is Required irrespective of amount of Foreign Exchange.

In our case mr x a Film star will Require Approval of central govt.

2.

Individual can avail Facility upto amt $ 250000.

Any additional Remittance above this will Require approval of RBI.

Ans 5

Act Applicable : Section 2 of FEMA

Provision:

①. It means Person Residing In India for more than 182 days in Preceding Financial year.

②. However it does not Include Person who has gone out of India for purpose of Employment or for stay of uncertain Period

③. RBI has clarified that any Person who goes abroad for studies will be considered as PROI.

Conclusion :

✓ For FY 2021-22 - Mr Sunny will be considered PRI till 16th July 2021 and From 17th July ~~&~~ he will be considered PROI.

✓ Also for FY 2022-23 he will be PROI

Foreign Exchange can be withdrawn for current A/c and capital A/c txn upto $ 250,000. Any Remittance in Excess of that shall ~~be~~ Require Prior Approval of RBI.

In given case amount Required is $ ~~25~~ 55000 / academic year which is within limit and therefore No approval is Required.