

## FORM NO. 7E

### Form of intimation to the Central Government of the proposal to transfer shares : Form of application for approval of the Central Government for transfer of shares of foreign companies

1. Name(s) of the transferor(s) and address(es) of its/their registered Office(s)
2. Name(s) of directors of transferor(s) giving full details of directorships/ proprietorship/partnership held by them in other bodies corporate
3. (a) (i) Name and address of the Registered Office of the company whose shares are proposed to be transferred  
(ii) If the application is under section 30D, state the established place of business in India  
(b) The total issued, subscribed and paid-up equity share capital of the company whose shares are proposed to be transferred  
(c) The number, nominal value and other particulars of shares that are proposed to be transferred
4. Composition of the board of directors of the company whose shares are proposed to be transferred indicating nominees, if any, of the transferor
5. Whether the company whose shares are proposed to be transferred, is a dominant undertaking
6. Whether the applicant is the owner in relation to a dominant undertaking or would be, as a result of such transfer of shares, the owner of a dominant undertaking as defined in section 2(d) of the Monopolies and Restrictive Trade Practices Act, 1969. If so, the particulars thereof
7. Shareholding pattern of investee company in the following form :

	<i>No. of equity shares held (existing/after)</i>	<i>Percentage to equity capital (existing/after)</i>
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  - (i) Financial institutions. If the transferor is a constituent of a group; the present holding of the group to which the transferor belongs may be indicated
  - (ii) Non-residents (individuals, foreign companies, etc.)
  - (iii) Directors and their relatives and constituents of group
  - (iv) Inter-connected bodies corporate/firms of group

(v) Indian public

8. Present holding of the transferor(s), including those companies under the same management with percentage of shares held, in the nominal value of the subscribed equity share capital of the company whose shares are proposed to be transferred  
(Note : Each body corporate which holds more than one per cent total equity share capital shall be indicated separately)
9. Name(s) of the proposed transferee(s) and its/their address(es)
10. What are the sources of finance of transferees ? Whether these are to be transferred to share brokers; if so, who are the ultimate transferees. Furnish their complete details
11. If the transferee is a company, name of its directors
12. Number and the nominal value of the equity shares already held by the proposed transferee(s) and the other constituents of the group to which the transferee(s) belong in the equity share capital of the company whose shares are proposed to be transferred; and the percentage of shares held to the total equity capital of the company
13. Number and the nominal value of equity shares held by the transferee(s) and other constituents of the group to which he belongs after the acquisition of the proposed shares and the percentage of shares that will be held after such acquisition to the total equity capital of the company
14. (a) Whether the assets of the company whose shares are proposed to be transferred were valued by the management with the assistance of a valuer during the last two years. A statement in respect of the value of assets together with the basis of valuation may be attached to the application  
(b) In case the fixed assets of the company whose shares are proposed to be acquired have been revalued at any time, full details thereof
15. (a) Nominal value of shares  
(b) Rate at which the shares are proposed to be transferred
16. Whether the shares proposed to be transferred are quoted on any stock exchange. If so, the rate on which they were quoted, date of quotation and the name of the stock exchange where they are listed may be stated
17. (a) Break-up value of shares as per the latest balance-sheet of the company whose shares are proposed to be transferred as calculated in Annexure I

- (b) Value of shares based on yield basis as calculated in Annexure II
18. Whether the proposed transfer of shares will result in any change in the composition of the board of directors of the company whose shares are proposed to be transferred. If so, the details thereof
19. (a) Whether the approval under the Foreign Exchange Regulation Act, 1973, is needed for the transfer of shares. If so, whether necessary approval has been obtained. A copy of the said approval may be enclosed
- (b) Whether the provisions of section 372(4) of the Companies Act, 1956, or the provisions of any other law are applicable in respect of the above transactions. If so, whether they have been complied with. Please give particulars
- (c) Whether clauses 40A and 40B of listing agreement of stock exchange are applicable ? Please give particulars
- (d) Indicate the relevant clauses of memorandum of association and articles of association for the proposal
20. (a) The lines of business of the company whose shares are proposed to be transferred. Details regarding items manufactured may be given
- (b) Whether the company whose shares are proposed to be transferred or its subsidiaries is engaged in any industry specified in Schedule to the Act. If so, the details may be furnished
21. Purpose proposed to be achieved by the proposed transfer of shares.
22. Please enclose a copy each of the following :
- (i) One copy of the audited balance-sheet and profit and loss account of the company whose shares are proposed to be transferred for each of the last three years
- (ii) A copy of the latest balance-sheet and profit and loss account of the transferor
- (iii) A copy of the latest audited balance-sheet and profit and loss account of the transferee in case it is a body corporate
- (iv) Challan/bank draft towards payment of fees
23. Any other information which the company wants to furnish

I/We solemnly declare that the facts stated in the statement are true to the best of my/our knowledge and the other facts are true to the best of my/our information and belief

Signature of the applicant

Date \_\_\_\_\_

esignation/description

### ANNEXURE I

#### Break-up value of shares as per the latest balance-sheet

(Rupees in thousands)

Paid-up capital

Add : Reserves and surplus :

Less :

- (a) Miscellaneous expenditure to the extent not written off
- (b) Debit balance of profit and loss account
- (c) Arrears of depreciation not provided for
- (d) Contingent liabilities such as
  - (i) Gratuity, taxes, etc., with details
  - (ii) Dividends proposed to be paid out of reserves
  - (iii) Income-tax liability not provided for

Total net worth	<i>A</i>	
Preference capital	<i>B</i>	
Net worth of equity	$A - B$	
Break-up value per equity share	$A - B$	
Total No. of equity shares		

### ANNEXURE II

#### Value of shares based on yield

(Figures to be given from balance-sheets for the last three years)

Year ending

Year ending

Year ending

Profit (after depreciation but before tax and after providing for development rebate reserve)

Add : Development rebate reserve

Loss on sale of assets and any item of expenditure of non-recurring nature

A :	A1	A2	A3
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Less :

(i) Dividends on investments (other than trade investments)

(ii) Interest on Government securities

(iii) Profit on sale of fixed assets/investments and other non-business profits

(iv) Excess provision written back

B :	B1	B2	B3
	C1	C2	C3

Pre-tax profit :  $C = (A-B)$

\*Average yearly pre-tax profit :

$$(C1+C2+C3) = 1/3rd C$$

Less :

Estimated tax liability @ 60% = T

Average net profits after taxation  $(C-T) = D$

Capitalising 'D' at 15% return:

$$\frac{D \times 100}{15} = E$$

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Add: Market value of investments on which dividend has been deducted in the above calculation :	F	
Net worth : (E + F)	G	
Less: Preference capital	H	
Net worth of equity	G-H	
Net worth of one equity share	G-H	

	No. of equity shares	
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