

ODS

[Paragraph 9A.2(v)]

APPLICATION FOR SUPPLEMENTARY PROPOSAL FOR DIRECT INVESTMENT IN EXISTING JOINT VENTURE (JV)/WHOLLY OWNED SUBSIDIARY (WOS)

(Please go through the instructions given in the annexure carefully before filling up this form)

**All amounts in INR and FC should be
in thousands**

For office use only :
Date of receipt :
Inward Number :
Date of Approval :

1. NATURE AND CATEGORY OF APPLICATION (Please cross (X) the appropriate box)

- | | | | |
|--|-----|------------------|-----|
| (a) | | (b) | |
| (i) Enhancement of equity in existing JV/WOS by _____ (please indicate the amount) | [] | (i) Category A | [] |
| (ii) Grant of/enhancement of loan by _____ (please indicate the amount) | [] | (ii) Category B | [] |
| (iii) Extension/enhancement of guarantee for _____ (please indicate the amount) | [] | (iii) Category C | [] |
| (iv) Others _____ (please specify) | [] | (iv) Category D | [] |

2. BRIEF PARTICULARS OF THE INDIAN PROMOTER(S) AND THE JV/WOS

- | | |
|--|--------------------------------------|
| (i) Name of Indian Promoter : | (ii) Name of the Group (if any) : |
| (iii) Name of the JV/WOS : | (iv) Country of location of JV/WOS : |
| (v) No. of RBI/GOI Approval : | (vi) Date of Approval : |
| (vii) Line of activity of the JV/WOS : | |
| (viii) Date of latest QPR/APR submitted to RBI/MOC : | |

3. FINANCIAL PARTICULARS OF THE INDIAN PROMOTER FOR THE LAST THREE YEARS

(Amount in INR)

Accounting Year Ending	Domestic Sales	Forex Earnings from Exports	Forex Earnings Other than from Exports	Net Profit(+)/ Loss(-)	Net worth
(1)	(2)	(3)	(4)	(5)	(6)
i.					
ii.					
iii.					

4. PARTICULARS OF EXISTING JV/WOS OF THE PROMOTER COMPANY AND ITS SISTER CONCERNS.

(Amount in FC)

Sr. No.	Nature of overseas concern	Name of Indian promoter/ place	Name of overseas concern/ country	amount of Investment
(1)	(2)	(3)	(4)	(5)
i.				
ii.				
iii.				
iv.				
v.				

REPATRIATIONS DURING THE FIRST FIVE YEARS OF OPERATIONS			
<u>Dividend</u>		<u>Others</u>	
E	R	E	R
(6)	(7)	(8)	(9)
i.			
ii.			
iii.			
iv.			
v.			

TOTAL REPATRIATIONS TILL DATE	
E	R
(10)	(11)
i.	
ii.	
iii.	
iv.	
v.	

[E = Entitlement R = Repatriation]

5. PERFORMANCE OF THE JV/WOS SO FAR (LATEST APR AS ON _____)

- (a) Date of incorporation :
 (b) Date of commencement of operations :
 (c) **Capital structure of the JV/WOS :**

<u>Amount approved</u>			<u>Actual amount held</u>		
<u>% to the total -</u>			<u>% to the total</u>		
<u>equity</u>	<u>FC</u>	<u>INR</u>	<u>equity</u>	<u>FC</u>	<u>INR</u>

- (i) Indian equity
 (ii) Foreign equity

- (d) Method of acquiring equity shares by Indian Promoter:

<u>Total amount approved</u>		<u>Actual amount held</u>	
<u>FC</u>	<u>INR</u>	<u>FC</u>	<u>INR</u>

- (i) Cash remittance
 (ii) Capitalisation of
1. Exports of plants and machinery/goods
 2. Technical know-how fees
 3. Royalty
 4. Engineering Technical Services fees
 5. Consultancy/Management fees
 6. Selling agency Commission
- (iii) GDR/FC Loans raised abroad
 (iv) Bonus Shares
 (v) Out of balances in EEFC Account
 (vi) Other methods ()
 Please specify

TOTAL

6. POSITION OF TERM/WORKING CAPITAL LOANS (Amount in FC)

	<u>Total amount</u> <u>Approved</u>	<u>Outstanding</u> <u>amount</u>	<u>Overdue amount</u>		<u>Total</u>
			<u>Principal</u>	<u>Interest</u>	
(i) Term Loan from :					
(a) Indian promoters					
(b) Banks/Financial Institutions (FIs)					
(c) Others ()					
Please specify					
(ii) Working capital Loans from :					
(a) Indian promoters					
(b) Banks/FIs					
(c) Others ()					
Please specify					

7. POSITION OF GUARANTEES

	<u>Total amount</u> <u>approved/</u> <u>extended</u>	<u>Total amount</u> <u>invoked/</u> <u>claimed</u>	<u>Date of</u> <u>invocation</u>	(Amount in FC) <u>Amount paid</u> <u>so far</u>
--	--	--	-------------------------------------	--

Guarantees from :

- (a) Indian promoters
 - (b) Indian Banks/(FIs)
 - (c) Others ()
- Please specify

8. OPERATIONAL DETAILS OF THE JV/WOS FOR THE LAST THREE YEARS

	(Amount in FC)		
	(Year ended_____)	(Year ended_____)	(Year ended_____)
(i) Gross Sales/Receipts			
(ii) Net Profit(+)/Loss(-)			
(iii) Dividend			
(iv) Transfer to reserves			
(v) Free reserves and surplus(+)			
(vi) Accumulated losses (-)			
(vii) Net worth			

9. ENTITLEMENTS (E) AND REPATRIATION (R) (NET OF TAXES) FROM THE JV/WOS

	(Amount in FC with INR equivalents in brackets)				
	During the last(year ended.....)		Since commencement of business		Total outstanding entitlements due for repatriation
	(E)	(R) []	(E)	(R) []	(E-R) []
(i) Dividend					
(ii) Technical know-how fees					
(iii) Royalty					
(iv) Engineering/Technical Services fees					
(v) Consultancy/Management fees					
(vi) Selling agency Commission					
(vii) Others () Please specify					

10. POSITION OF NON EQUITY EXPORTS FROM THE JV/WOS

(Amount in INR)

	Year under report	Since commencement of business by JV/WOS
	<hr/>	<hr/>
(a) Projected value	:	
(b) Value actually exported so far	:	
(c) Value realised so far	:	
(d) Value outstanding for realisation beyond six months	:	

11. POSITION OF FOREIGN INVESTMENT INFLOWS INTO THE COUNTRY:

(Amount in INR)

	Year under report	Since commencement of business by JV/WOS
	<hr/>	<hr/>
(a) Amount of projected inflow	:	
(b) Amount of actual inflow	:	

**12. REASONS FOR NON-REPATRIATION OF ENTITLEMENTS AND
SHORTFALLS IN PROJECTED EXPORTS (IF APPLICABLE):**

13. PRESENT PROPOSAL IN BRIEF WITH SUPPORTING REASONS:

14. REVISED PROJECTIONS MADE

- (a) Profitability of the JV/WOS:

	Years of operation					(Amount in FC)
	1.	2.	3.	4.	5.	<u>Total</u>
(i) Gross Sales/Receipts						
(ii) Net Profit(+)/Loss(-)						
(iii) Dividend						
(iv) Transfer to Reserves						
(v) Accumulated Reserves & Surplus(+)/Loss(-)						
(vi) Net worth						

(b) Indian repatriable entitlements:(Net of taxes)

	Years of operation					(Amount in FC)
	1.	2.	3.	4.	5.	<u>Total</u>
(i) Dividend						
(ii) Technical know-how fees						
(iii) Royalty						
(iv) Engineering/Technical Services fees						
(v) Consultancy/Management fees						
(vi) Selling agency Commission						
(vii) Others (specify)						

(c) Projections for non-equity/incremental exports:

Period	Years of operation					(Amount in INR)
	1.	2.	3.	4.	5.	<u>Total</u>

FOB Value

(d) Projected investment inflows into India:

Period	Years of operation					(Amount in INR)
	1.	2.	3.	4.	5.	<u>Total</u>

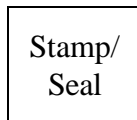
Amount

15. (a) Whether the applicant company/ies, its promoters, directors, etc. have come under investigations by Enforcement Directorate/CBI/SEBI/ other law enforcing agencies for violation of any law / statute? If yes, the brief details thereof including present stage of investigation/adjudication/manner of disposal of the case should be furnished.
- (b) Is the promoter company presently under "Caution - List" of RBI for non realisation of export proceeds? If so, the present position may be indicated.
16. Whether a copy of this proposal has been submitted to the concerned Regional Office of RBI? [Yes/No]

DECLARATION

I/We hereby certify that the information furnished above are true and correct to the best of my/our knowledge and belief.

Place :
Date :



(Signature of authorised official)

Name : _____

Designation : _____

List of enclosures :

- (1) _____
(2) _____
(3) _____

- (4) _____
(5) _____
(6) _____

ANNEXURE

Instructions for filling up the form ODS

(This part should be detached and retained by the applicant)

1. (a) Please read carefully the "**Guidelines for Indian Direct Investment in Joint Ventures and Wholly Owned Subsidiaries abroad**" notified by Government of India, Ministry of Commerce vide Notification No.4/1/93-EP(OI) dated 17th August 1995 read with subsequent Notifications dated 7th and 19th November, 1996 before filling up the form. The application should be complete in all respects and accompanied by all relevant documents as specified below. **Please write 'NA' where not applicable.**

- (b) The following classification may be kept in view while indicating the category of the application.
- (i) **Category 'A' (Fast Track Route):** Amount of investment is upto 25% of the annual average export/foreign exchange earnings of the Indian promoter in the preceding 3 years subject to of US \$ 15 million. (US \$ 30 million in case of investments in SAARC countries and Myanmar, US \$ 25 million in case of Indian software companies investing in the field of computer software and Rs.120 crores in respect of Indian rupee investment in Nepal and Bhutan).
 - (ii) **Category 'B' (Normal Route):** All applications not qualifying for consideration under Category 'A' above and Categories 'C' and 'D' below".
 - (iii) **Category 'C':** Large investments beyond US\$ 15 million where the funding beyond US\$ 15 million will be out of GDR resources.
 - (iv) **Category 'D':** Large investments beyond US\$ 15 million by the established exporters without raising any funds through GDR route.
- (c) **All amounts, both in FC and INR, should be rounded off to the nearest thousand and the same should be indicated after omitting '000, e.g.,10,499 and 10,500 should be shown as 10 and 11 respectively.**
- (d) Additional sheets may be attached only if the space available against a particular item is insufficient.

2. All proposals for addition/deletion of the terms and conditions of the existing approval, change in size and pattern of investment, extension of loan/guarantee from India beyond the limit already approved, etc. should be submitted to the **Chief General Manager, Exchange Control Department, Central Office, Overseas Investment Division, Reserve Bank of India, Amar Building, Fort, Mumbai 400 001**. Where the proposal comes under Category 'A', the application should be submitted in two sets and in other cases in **five sets. One copy of the proposal should be submitted simultaneously to the concerned Regional Office of the Reserve Bank of India** to enable them to furnish their comments to Central Office of the Reserve Bank of India with reference to the records available with them.

3. Applications for clearance under Sections 370/372(4)/295 of the Companies Act, 1956, if applicable, should also be simultaneously submitted directly to the Joint Secretary, Department of Company Affairs (DCA), Shastri Bhavan, New Delhi 110 001 for expeditious consideration.

4. The applicants should ensure that the latest Quarterly Progress Report (**QPR**), if the project is under implementation, or Annual Performance Report (**APR**), if the project is in operation has already been submitted (in duplicate) to the concerned Regional Office of RBI and Ministry of Commerce and the particulars furnished in form ODS tally with those given in the latest **QPR/APR**. A copy of the latest **QPR/APR** may be enclosed to the first copy of form **ODS** for ready reference.

5. Where the proposal envisages an increase in the level of equity, loan or guarantee in respect of the existing JV/WOS or extension of fresh loan or guarantee, **a project/feasibility report** incorporating, inter alia, projected Funds Flow Statements and Balance Sheet for the next 5 years, information on various leverage and profitability ratios of the foreign concern after infusion of additional equity/extension of fresh/additional loan/guarantee should be enclosed. This should be accompanied by a statement from a Chartered Accountant verifying the ratios, projections made, etc. in the report/form ODS.
6. Where application comes under Category 'A' certificates (in **form BCX**) from the concerned authorised dealers (ADs) in support of export performance for the last three years (excluding equity exports) and certificates in **form BCI** from the concerned Ads/certificate from Chartered Accountant in support of other foreign exchange earnings for the last three years should be enclosed.
7. In case the additional resources for investment are to be raised through **GDR route**, copy of the application made to/"in principle" approval letter obtained from MOF for the purpose should be enclosed.
8. **Latest annual accounts** of the applicant company/ies as well as the overseas JV/WOS should be enclosed.
9. Copy of the resolution of the **Board of Directors** of the Indian promoter company/ies approving the proposed additional investment should accompany the application.
10. Where the plant and machinery/goods are proposed to be exported from India as equity contribution, the details thereof should be furnished in the proforma given below;

PROFORMA

List of plant and machinery/goods to be exported against equity

(Amount in Indian Rupees in thousands)

Sr. No.	Item with broad specific-cations	Name and address of the supplier/ manufacturer	No.of Units	FOB value/unit	Total FOB value	Remarks
1.	2.	3.	4.	5.	6.	7.

11. It may be noted that the quantum of non equity exports projected by Indian parties to the foreign concern shown under item 14(c) of **form ODS** would amount to an undertaking that these will be achieved as indicated therein.

12. The Indian promoter company/ies setting up JV/WOS abroad for attracting foreign investments into India should furnish the information on the amount of foreign investments projected to be brought in by them during the first five years of operation under item 14(d) of **form ODS**.

13. Where there are more than one Indian promoter of the JV/WOS, the applicant should be authorised specifically by all the other promoters to represent them and a copy of such authority should be attached.

14. Indian promoter companies applying to the Reserve Bank of enhancement of loan/guarantee to the overseas JV/WOS or for making major changes in the existing terms and conditions of approval should enclose to form **ODS** a duly certified statement indicating details of investment availed of under the EEFC Fast Track Window from the authorised dealers (viz. date of approval, RBI Identification Number, amount approved for each JV/WOS, country of their location, etc.)