

ODI

[Paragraph 9A-2(iii), 9A-12]

APPLICATION FOR DIRECT INVESTMENT IN JOINT VENTURE(JV)/WHOLLY OWNED SUBSIDIARY (WOS) ABROAD

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

[All amount of Foreign Currency (FC) and Indian Rupees (INRs), unless otherwise stated, should be in thousand only]

| | |
|-------------------------|---|
| For the office use only | |
| Date of receipt : | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| Inward No. : | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |
| Approval No. | <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> |

PART A - GENERAL

I. Nature and category of application (Please tick(✓)the appropriate box) :

- | | |
|---|--|
| (a) | (b) |
| (i) Participation in the equity of a proposed JV abroad | <input type="checkbox"/> (i) Category A <input type="checkbox"/> |
| (ii) Contribution to the equity of a proposed WOS abroad | <input type="checkbox"/> (ii) Category B <input type="checkbox"/> |
| (iii) Acquisition of an overseas concern through bidding/tender procedure | <input type="checkbox"/> (iii) Category C <input type="checkbox"/> |

II. Name(s) of promoter(s)

- | | |
|---------------------|--------------------------|
| (a) Indian promoter | (b) Foreign collaborator |
| 1. _____ | 1. _____ |
| 2. _____ | 2. _____ |
| 3. _____ | 3. _____ |
| 4. _____ | 4. _____ |
| 5. _____ | 5. _____ |

III. (a) Line of activity of the proposed JV/WOS : [Please tick(✓)the appropriate box]

- (i) Manufacturing
- (ii) Trading
- (iii) Financial Services

(b) Brief particulars of the products to be manufactured/ goods to be traded/services to be rendered by the JV/WOS:

(iv) Non-Financial Services

(v) Others() (Code No. to be filled in by RBI
Please specify

(c) Location (country) of the proposed JV/WOS : _____

(d) Time-frame for project implementation :

(i) Proposed date of commencement of the project implementation (ii) Proposed date of commencement of the commercial activity

PART B-PARICULARS OF INDIAN PROMOTER

(Where there are more than one Indian promoter, information may be given on separate sheets for each of the other promoters)

IV. Address of Indian promoter : _____

(a) Registered office : _____

(b) For correspondence : _____

V. (a) Status of the promoter[Please tick(✓) the appropriate box]:

Public Sector Undertaking Private Limited Company

Public Limited Company Others ()
Please specify

(b) Name of the Industrial House/
Group to which the Indian
promoter company belongs : _____

(c) (i) Existing line of activity of the Indian promoter [please tick(✓) the appropriate box] (ii) Brief particulars of the products manufactured/ goods traded/services rendered by the Indian promoter :

(A) Manufacturing _____

(B) Trading _____

(C) Financial Services _____

(D) Non-Financial Services

(E) Other () (Code No. to be filled in by RBI)
Please specify

- VI.** (a) Date of incorporation :
- (b) Share Capital (**Amount in INR**) : As on
(i) Authorised : _____
(ii) Paid-up : _____
- (c) Reserves and Surplus (**Amount in INR**) : _____
- (d) Years of experience in the proposed field of collaboration/operation :
- (e) Importer Exporter Code Number :
- (f) % of Non-resident interest in share capital of the Indian company :

VII. Financial particulars of the Indian promoter company for the last 3 years :

| (Amount in INR) | | | | | | |
|------------------------|----------------|--|---|------------------|-------------------------|-----------|
| Accounting year ending | Domestic sales | Foreign exchange earnings from exports (excluding equity exports to existing JV/WOS) | Foreign exchange earnings other than from exports | Net fixed assets | Net profit (+)/ loss(-) | Net worth |
| (1) | (2) | (3) | (4) | (5) | (6) | (7) |

(Amount in FC)

| Accounting year ending | Sales | Net fixed assets | Net profits (+)/loss(-) | Net worth | Dividend (%) |
|---------------------------|-------|---------------------|----------------------------|--------------|-----------------|
| (1) | (2) | (3) | (4) | (5) | (6) |

PART D-FINANCIAL PACKAGE

(If the project is to be implemented in phases, separate sheets showing phase-wise distribution of cost should be attached and only the totals for all phases should be indicated below)

(Amount in FC)

X. Financing of the foreign concern :

(a) Rate of exchange applied for the project cost

(i) FC (name) _____ Unit(s) _____ =US\$ _____

(ii) US\$1 = INR _____

(b) Estimated cost of the project

(i) Cost of capital equipment

(A) to be supplied from India : _____

(B) to be procured from host country : _____

(C) to be procured from third country : _____

(ii) Cost of land : _____

(iii) Cost of civil works : _____

(iv) Cost of miscellaneous fixed assets : _____

(v) Preliminary & Pre-operative expenses : _____

(vi) Contingencies : _____

(vii) Margin for working capital : _____

(viii) Others () : _____

Please specify _____

Total* : _____

(c) Equity share capital

(i) Contribution by Indian promoter (s) :

| Sr.No. | Name | Percentage of total equity | Amount |
|--------|------|-------------------------------|--------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |

* In case of acquisition of an existing foreign concern, the acquisition price may be indicated here only.

(ii) Contribution by foreign collaborator (s) :

| Sr.No. | Name | Percentage of total equity | Amount |
|--------|------|----------------------------|--------|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |

(d) Debt Finance :

| Type of Debt | Amount | If approved "in principle" by a Bank/ Financial Institution(FI), indicate the name of the Bank/FI |
|--------------|--------|---|
|--------------|--------|---|

| | | |
|----------------------------|-------|-------|
| (i) Term Loans | _____ | _____ |
| (ii) Working capital loans | _____ | _____ |

[Equity share capital plus term loan should be equal to the total cost of the project as at X (a) above]

(e) Debt-equity ratio of the proposed foreign concern: _____

(f) Whether the Indian promoter intends to give loan/extend corporate guarantee to/on behalf of the foreign concern, apart from subscription to equity capital? If yes, give details

(i) Term/ loans :

| Sr. No. | Name(s) of Indian Promoter | Amount | Repayment period | Rate of Interest | Particulars of security |
|---------|----------------------------|--------|------------------|------------------|-------------------------|
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| 5. | | | | | |

(ii) Corporate Guarantees :

| Sr. No. | Name of Indian Promoter issuing guarantees | Amount guarantee | Purpose of guarantee | Period of guarantee | Particulars of Security |
|---------|--|------------------|----------------------|---------------------|-------------------------|
| 1. | | | | | |
| 2. | | | | | |
| 3. | | | | | |
| 4. | | | | | |
| 5. | | | | | |

XI Method of equity participation:**(Amount in FC)****(a) By the Indian promoter(s)**

- (i) Cash remittance : _____
- (ii) Capitalisation of -
- (A) Export of plant & machinery/goods : _____
- (B) Technical know-how fees : _____
- (C) Royalty : _____
- (D) Engineering/Technical services fees : _____
- (E) Consultancy/Management fees : _____
- (F) Others () : _____

Please specify

- (iii) GDR/Foreign currency loans
raised abroad : _____

- (iv) Other methods () : _____

Please specify

TOTAL : _____**(b) By the foreign collaborators**

- (i) Cash : _____
- (ii) Fixed assets : _____
- (iii) Loans : _____
- (iv) Other methods() : _____

Please specify

TOTAL : _____**(c) Funding of Indian investment**

- (i) Self-generated funds : _____
- (ii) Assistance under overseas Investment
Finance Scheme of the EXIM Bank, if
applicable : _____
- (iii) Resources raised through GDR/Foreign
currency loans : _____
- (iv) Loans from Banks/FIs : _____
- (v) Out of balances in EEFC Account : _____
- (vi) Others () : _____

Please specify

TOTAL : _____**(d) Management of the foreign concern :**

(Whether the Indian promoters will have management control? If yes, give brief details like nature, duration, etc. of management/managerial functions to be discharged by Indian promoters)

PART E - BENEFITS FROM THE PROPOSED INVESTMENT

XII. Profitability Projections :

(Amount in FC)

| | Years of operation | | | | |
|--|--------------------|-------|-------|-------|-------|
| | 1 | 2 | 3 | 4 | 5 |
| (a) *Installed capacity | _____ | _____ | _____ | _____ | _____ |
| (i) Quantity in 100 units | _____ | _____ | _____ | _____ | _____ |
| (ii) Unit Name _____ | | | | | |
| (b) *Capacity Utilisation (%) | _____ | _____ | _____ | _____ | _____ |
| (c) Gross sales/receipts | _____ | _____ | _____ | _____ | _____ |
| (d) Operating cost excluding depreciation and interest | _____ | _____ | _____ | _____ | _____ |
| (e) Depreciation | _____ | _____ | _____ | _____ | _____ |
| (f) Interest | | | | | |
| (i) On term loans | _____ | _____ | _____ | _____ | _____ |
| (ii) On working capital loans | _____ | _____ | _____ | _____ | _____ |
| (g) Tax | _____ | _____ | _____ | _____ | _____ |
| (h) Net Profit (+) / Loss (-) | _____ | _____ | _____ | _____ | _____ |
| (i) Dividend | _____ | _____ | _____ | _____ | _____ |
| (j) Transfer to reserves | _____ | _____ | _____ | _____ | _____ |
| (k) Accumulated reserves & surplus (+)/loss(-) | _____ | _____ | _____ | _____ | _____ |
| (l) Net worth | _____ | _____ | _____ | _____ | _____ |

(b) Projected Foreign investment inflows into India :

| Period | Years of operation | | | | | (Amount in FC) |
|--------|--------------------|-------|-------|-------|-------|----------------|
| | 1. | 2. | 3. | 4. | 5. | TOTAL |
| Amount | _____ | _____ | _____ | _____ | _____ | _____ |

XV (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) Are the promoter company/ies presently under "Caution-List" of RBI for non-realisation of export proceeds ? If so, the present position may be indicated.

XVI Any other information relevant to this proposal, including any special benefits/incentives available in the host country for setting up / acquiring the proposed concern:

XVII Name(s) and address, telephone, telex and fax numbers of the bank(s) of the Indian promoter(s) : (In case funds will be remitted out of the EEFC A/c. of the promoter, the particulars of such account should be indicated against the name of the concerned bank)

XVIII If the application is to be considered under categories 'B', 'C' & 'D', whether a copy has been sent to the Indian Embassy in host country : 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 :

Stamp/
Seal

(Signature of authorised official)

Name : _____

Designation : _____

List of enclosures :

- | | |
|----|----|
| 1. | 4. |
| 2. | 5. |
| 3. | 6. |

ANNEXURE

Instructions for filling up the Form ODI

(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 as amended from time to time, 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 through GDR/EEFC funds.
 - (iv) **Category `D' :** Large investments beyond US\$ 15 million by the established exporters without raising any funds through GDR route or utilising the balances in the EEFC account.
 - (c) **All amounts, both in FC & 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) Wherever boxes are provided in items requiring date, the first two boxes are meant for the date, next two for the month and next four for the year.
 - (e) Additional sheets may be attached only if the space available against a particular item is insufficient.
2. Applications must be submitted in **four sets** (for category `A') and in seven sets (for categories `B', `C', & `D') together with the following documents to the **Chief General Manager, Reserve Bank of India, Exchange Control Department, Central Office, Overseas Investment Division (OID), Amar Building, Sir P. M. Road, Fort, Mumbai**

400 001.

- (a) Draft Joint Venture Agreement (or Memorandum & Articles of Association in the case of a Wholly Owned Subsidiary) specifying the equity structure, management, and rights and responsibilities of shareholders and also Draft Agreement(s) for supply of technical know-how, management and other services, if applicable.
- (b) A detailed project/feasibility report incorporating, *inter alia*, projected Funds Flow Statements and Balance Sheets for five years, the information on various leverage & profitability ratios like debt-equity ratio, debt service coverage ratio, return on investments, etc, of the proposed foreign concern accompanied by the statement from a Chartered Accountant certifying the ratios, projections, etc. given in the application/report.
- (c) A certificate of credit worthiness from the bankers of the Indian applicant in sealed/closed cover.
- (d) Certificate(s) in Form **BCX**, from the concerned authorised dealers in support of export performance for the last 3 years (**excluding equity exports**) & certificate(s) in Form **BCI** from the concerned authorised dealers/certificate from chartered accountant in support of foreign exchange earnings other than from exports as cited in item **VII** of Form **ODI**.
- (e) Copy of application made to 'in principle' approval letter obtained from the Ministry of Finance for raising GDR resources/foreign currency loan for investment, if applicable.
- (f) The last three years' Annual Accounts, i.e. Balance Sheet and Profit and Loss Account alongwith Directors' report of the Indian applicant company/ies.
- (g) Additional documents as under, if the application is made for partial/full take over of an existing foreign concern.
 - (i) A copy of the certificate of incorporation of the foreign concern;
 - (ii) Copies of Annual Accounts, i.e. the Balance Sheet and Profit and Loss Account alongwith Directors' report of the foreign concern for the last three years; and
 - (iii) A copy of the share valuation certificate from a Chartered Accountant/Auditor firm.
- (h) A list of the plant and machinery/goods proposed to be exported from India against equity in the following proforma, where applicable. (This should be accompanied by a Chartered Engineer's Certificate, certifying that the plant and machinery are indigenous and that the prices quoted are reasonable)

PROFORMA

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

(Amount in Indian Rupees in thousands)

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

- (i) A copy of the resolution of the Board of Directors of the Indian promoter company/ies approving the proposed investment.
3. It may be noted that the quantum of non-equity exports projected by Indian parties to the foreign concern shown under item XIV of Form ODI would amount to an undertaking that these will be achieved as indicated therein.
4. 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 XIV(b) of Form **ODI**.
5. In respect of proposals coming under categories 'B', 'C' & 'D', a copy of the application in Form **ODI** together with its enclosures should be submitted simultaneously, by speed post/courier, to the Indian Embassy/High Commission in the host country failing which consideration of the proposal would be delayed. Copy of the speed post/courier receipt should be enclosed to the said application in form **ODI** submitted to RBI.
- [The address of the Embassy/High Commission could be obtained from the Ministry of External Affairs/Central Office or Regional Offices of Exchange Control Department of RBI
6. 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 the authority should be attached. The signatory to this application should be duly authorised by the applicant.
7. Application for clearance under Section 370/372(4) of the Companies Act, 1956, if applicable, should be simultaneously submitted directly to Joint Secretary, Ministry of Law, Justice and Company Affairs, Department of Company Affairs (DCA), Shastri Bhavan, New Delhi 110 001.

8. In case the applicant is seeking 'in principle' approval for acquisition of overseas concern through bidding/tender procedure, the application should be submitted to RBI by way of a letter, atleast one month in advance from the last date for submission of bid to the overseas authority, alongwith following documents:
- (a) Certified relevant extracts of bidding guidelines.
 - (b) Chartered Accountant's certificate indicating the valuation of shares and assets of the overseas concern justifying the acquisition price.
 - (c) A detailed project/feasibility report.
 - (d) Application in Form **ODI** to RBI.
 - (e) Application in Form **ODI** alongwith the documents as at (a), (b) & (c) above to be forwarded simultaneously, by speed post/courier to each of the following ministries/embassy, where the final investment proposal will not qualify for clearance under Fast Track Route -
 - (i) Joint Secretary, Ministry of Commerce (MOC), EP(OI) Section, Government of India, Udyog Bhavan, New Delhi 110 011.
 - (ii) Joint Secretary (FT&I), Ministry of Finance (MOF), Department of Economic Affairs (DEA), Government of India, North Block, New Delhi 110 001.
 - (iii) Joint Secretary, Ministry of External Affairs (MEA), Economic Division, Government of India, South Block, New Delhi 110 001.
 - (iv) Joint Secretary, Department of Company Affairs, Shastri Bhavan, New Delhi 110 001.
 - (v) The Indian Embassy/High Commission in the host country. (Copies of speed post/courier receipts should be enclosed to the application in Form **ODI** submitted to RBI.)
9. In the case of final investment proposal in the post-award stage, Indian company should furnish suitable documentary evidence in support of winning the bid citing RBI's reference number granting 'in principle' approval and apply afresh to RBI in Form **ODI** in the manner and alongwith documents as prescribed in paragraphs 2 & 5 above.

10. In case of proposals coming under Fast Track route, where the applicant company does not have the requisite export/foreign exchange earnings, the export performance/foreign exchange earnings of its parent/subsidiary company can be taken into account for eligibility provided that (i) such parent/subsidiary company has not availed of this facility during the relevant period and (ii) it furnishes a suitable letter of disclaimer stating that it has not availed of and will not avail itself of investments, etc. facilities under Fast Track route to the extent of credit afforded to the applicant company, which is to be enclosed to form **ODI**.
11. In cases where Indian promoter company has made overseas investments under the EEFC Fast Track Window operated by authorised dealers, details of such investments (viz. date of approval, RBI Identification Number, amount approved for each JV/WOS, country of their location, etc.) duly certified by the applicant should also be enclosed, if the proposal comes under the Fast Track Route of RBI.