

**RESERVE BANK OF INDIA
(EXCHANGE CONTROL DEPARTMENT)
CENTRAL OFFICE
MUMBAI 400 001**

Notification No.FEMA 19 /RB –2000 dated 3rd May 2000

In exercise of the powers conferred by clause (a) of sub-section (3) of section 6 and section 47 of the Foreign Exchange Management Act 1999, (42 of 1999), the Reserve Bank of India makes the following regulations relating to transfer or issue of any foreign security by a person resident in India, namely :

1. Short title and commencement

- i) These Regulations may be called the Foreign Exchange Management (Transfer or issue of any foreign security) Regulations, 2000.
- ii) They shall come in force on the 1st day of June , 2000.

2. Definitions

In these Regulations, unless the context otherwise requires:

- a) “Act” means Foreign Exchange Management Act, 1999, (42 of 1999);
- b) “authorised dealer” means a person authorised as an authorised dealer under sub section (1) of section 10 of the Act;
- c) “American Depository Receipt” (ADR) means a security issued by a bank or a depository in United States of America (USA) against underlying rupee shares of a company incorporated in India;
- d) `Core Activity’ means activity carried on by an Indian entity which constitutes at least 50% of its average turnover in the previous accounting year;
- e) “Direct investment outside India” means investment by way of contribution to the capital or subscription to the Memorandum of Association of a foreign entity, but does not include portfolio investment or investment through stock exchange or by private placement in that entity;
- f) “Financial commitment” means the amount of direct investment by way of contribution to equity and loan and 50 per cent of the amount of guarantees issued by an Indian party to or on behalf of its overseas Joint Venture Company or Wholly Owned Subsidiary;

- g) “Foreign Currency Convertible Bond” (FCCB) means a bond issued by an Indian company expressed in foreign currency, and the principal and interest in respect of which is payable in foreign currency;
- h) “Form” means the form annexed to these Regulations;
- i) “Global Depository Receipt”(GDR) means a security issued by a bank or a depository outside India against underlying rupee shares of a company incorporated in India;
- j) “Host country” means the country in which the foreign entity receiving the direct investment from an Indian party is registered or incorporated;
- k) “Indian party” means a company incorporated in India or body created under an Act of Parliament, making investment in a Joint Venture or Wholly Owned Subsidiary abroad, and includes any other entity in India as may be notified by Reserve Bank:-

Provided that when more than one such company incorporated or bodies under an Act of Parliament, makes a direct investment in the foreign entity, all such companies or bodies together shall constitute the “Indian party”;

- l) “Investment banker” means an Investment banker registered with the Securities and Exchange Commission in USA, or the Financial Services Authority in UK, or appropriate regulatory authority in Germany, France, Singapore or Japan.;
- m) “Joint Venture (JV)” means a foreign entity formed, registered or incorporated in accordance with the laws and regulations of the host country in which the Indian party makes a direct investment;
- n) “Mutual Fund” means a Mutual Fund referred to in clause (23D) of section 10 of the Income tax Act, 1961;
- o) `Net worth` means paid up capital and free reserves;
- p) “Real estate business’ means buying and selling of real estate or trading in transferable development rights (TDRs) but does not include development of townships, construction of residential/commercial premises, roads or bridges;
- q) “Wholly Owned Subsidiary (WOS) ” means a foreign entity formed, registered or incorporated in accordance with the laws and regulations of the host country, whose entire capital is held by the Indian party;
- r) Words and expressions used but not defined in these Regulations shall have the meanings respectively assigned to them in the Act.

3. Prohibition on issue or transfer of foreign security

Save as otherwise provided in the Act or rules or regulations made or directions issued thereunder, no person resident in India shall issue or transfer any foreign security:-

Provided that the Reserve Bank may, on application made to it, permit any person resident in India to issue or transfer any foreign security.

4. Purchase and sale of foreign security by a person resident in India

A person resident in India

- a) may purchase a foreign security out of funds held in Resident Foreign Currency (RFC) account maintained in accordance with the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000;
- b) may acquire bonus shares on the foreign securities held in accordance with the provisions of the Act or rules or regulations made thereunder;
- c) when not permanently resident in India, may purchase a foreign security from out of his foreign currency resources outside India;
- d) may sell the foreign security purchased or acquired under clauses (a), (b) or (c).

Explanation:

For the purpose of this clause, 'not permanently resident' means a person resident in India for employment of a specified duration (irrespective of length thereof) or for a specific job or assignment, the duration of which does not exceed three years.

Part I

Direct Investment outside India

5. Prohibition on Direct Investment outside India

Save as otherwise provided in the Act, rules or regulations made or directions issued thereunder, or with prior approval of Reserve Bank,

- (1) no person resident in India shall make any direct investment outside India; and
- (2) no Indian party shall make any direct investment in a foreign entity engaged in real estate business or banking business.

6. Permission for Direct Investment in certain cases

(1) Subject to the conditions specified in sub-regulation (2), an Indian party may make direct investment in a Joint Venture or Wholly Owned Subsidiary outside India.

- (2)
- (i) The total financial commitment of the Indian party shall not exceed US\$ 50 million or its equivalent in a block of three financial years including the year in which the investment is made, except investment in a Joint Venture/Wholly Owned Subsidiary in Nepal and Bhutan.
 - (ii) In respect of direct investment in Nepal or Bhutan, in Indian rupees the total financial commitment shall not exceed Indian Rupees 120 crores in a block of three financial years including the year in which the investment is made;
 - (iii) The direct investment is made in a foreign entity engaged in the same core activity carried on by the Indian party;
 - (iv) The Indian Party has earned net profit during the preceding three accounting years;
 - (v) The Indian Party is not on the Reserve Bank's caution list or under investigation by the Enforcement Directorate;
 - (vi) The Indian Party routes all transactions relating to the investment in a Joint Venture /Wholly Owned Subsidiary through only one branch of an authorised dealer to be designated by it.

Explanation:-

The Indian Party may designate different branches of authorised dealers for different Joint Ventures/Wholly Owned Subsidiaries outside India.

- (vii) The Indian Party submits form ODA, duly completed, to the designated branch of an authorised dealer for onward transmission to Reserve Bank
- (3) Investment under this Regulation may be funded out of one or more of the following sources, namely:-
- i) out of balance held in the Exchange Earners Foreign Currency account of the Indian party maintained with an authorised dealer in accordance with Regulation 4 of Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000;

- ii) drawal of foreign exchange from an authorised dealer in India not exceeding 25% of the networth of the Indian Party as on the date of last audited balance sheet;
- iii) utilisation of the proceeds of ADR/GDR issues, not exceeding 50 per cent of the amount so raised by the Indian Party:-

Provided that where the investment is entirely funded out of the source mentioned in clause (i), the conditions specified in clauses (iii) and (iv) of sub-regulation (2) shall not apply.

(4) For the purpose of reckoning net worth of an Indian party, the net worth of its holding company (which holds at least 51% stake in the Indian Party) or its subsidiary company (in which the Indian Party holds at least 51% stake) may be taken into account provided such holding company or, as the case may be, subsidiary company, has not availed of the facility of direct investment abroad during the relevant block of three years and has furnished a letter of disclaimer in favour of the Indian Party.

(5) An Indian Party may extend a loan or a guarantee to or on behalf of the Joint Venture/Wholly Owned Subsidiary abroad, within the permissible financial commitment , provided that the Indian Party has made investment by way of contribution to the equity capital of the Joint Venture.

(6) An Indian Party may make direct investment without any limit in any foreign security out of the proceeds of its international offering of shares through the mechanism of ADR and/or GDR:-

Provided that:

- a) the ADR/GDR issue has been made in accordance with the Scheme for issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme 1993 and the guidelines issued thereunder from time to time by the Central Government;
- b) the proposed investment together with investments already made in terms of clause (iii) of sub-regulation (3) does not exceed 50% of the proceeds of GDR and/or ADR issued; and
- c) the Indian Party files with Reserve Bank, in form ODA full details of the investment made, within 30 days of such investment.

7. Investment in Financial Services Sector

Subject to the Regulations in Part I, an Indian party engaged in the financial services activities, may make investment in an entity outside India also engaged in financial services activities:-

Provided that the Indian party –

- (i) has earned net profit during the preceding three financial years from the financial services activities;
- (ii) is registered with the appropriate regulatory authority in India for conducting the financial services activities;
- (iii) has a minimum net worth of Rs.15 crores as on the date of the last audited balance sheet; and
- (iv) has fulfilled the prudential norms relating to capital adequacy as prescribed by the concerned regulatory authority in India.

8. Investment in a foreign security by swap or exchange of shares of an Indian company

(1) An Indian Party engaged in any sector included in Schedule may acquire shares of a foreign company engaged in similar activity in exchange of ADRs/GDRs issued to the latter in accordance with the scheme for issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, and the guidelines issued thereunder from time to time by the Central Government, for the shares so acquired:-

Provided that -

- (a) the Indian Party has already made an ADR and/or GDR issue and that such ADRs/GDRs are currently listed on any stock exchange outside India;
- (b) such investment by the Indian Party does not exceed,-
 - (i) an amount equivalent of US\$ 100 mn., or
 - (ii) an amount equivalent to 10 times the export earnings of the Indian Party during preceding financial year as reflected in its audited balance-sheet, inclusive of all investments made under Regulations in Part I, including under (i) of this clause, in the same financial year,”
- (c) at least 80% of the average turnover of the Indian Party in the previous three financial years is from the activities/sectors included in Schedule or the Indian Party has an annual average export earnings of at least Rs.100 crores in the previous three financial years from the activities/sectors included in Schedule;
- (d) the ADR and/or GDR issue for the purpose of acquisition is backed by underlying fresh equity shares issued by the Indian Party;

- (e) the total holding in the Indian Party by persons resident outside India in the expanded capital base, after the new ADR and/or GDR issue, does not exceed the sectoral cap prescribed under the relevant regulations for such investment,
- (f) the valuation of the shares of the foreign company is made,-
 - (A) as per the recommendations of the Investment Banker if the shares are not listed on any stock exchange; or
 - (B) based on the current market capitalisation of the foreign company arrived at on the basis of monthly average price on any stock exchange abroad for the three months preceding the month in which the acquisition is committed and over and above, the premium, if any, as recommended by the Investment Banker in its due diligence report in other cases.

(2) Within 30 days from the date of issue of ADRs and/or GDRs in exchange for acquisition of shares of the foreign company under sub-regulation (1), the Indian Party shall submit a report in form ODG to the Reserve Bank

9. Approval of Reserve Bank in certain cases

- (1) An Indian Party which does not satisfy the eligibility norms under Regulations 6 or 7 or 8, may apply to the Reserve Bank for approval.
- (2) Application for direct investment in Joint Venture/Wholly Owned Subsidiary outside India, or by way of exchange for shares of a foreign company, shall be made in Form ODI, or in Form ODB, respectively.
- (3) Reserve Bank may, inter alia, take into account following factors while considering the application made under sub-regulation (2) :
 - a) Prima facie viability of the Joint Venture/Wholly Owned Subsidiary outside India;
 - b) contribution to external trade and other benefits which will accrue to India through such investment;
 - c) financial position and business track record of the Indian Party and the foreign entity;
 - d) expertise and experience of the Indian Party in the same or related line of activity of the Joint Venture or Wholly Owned Subsidiary outside India.

10. Unique Identification Number

Reserve Bank will allot a unique Identification Number for each Joint Venture or Wholly Owned Subsidiary outside India and the Indian Party shall quote such number in all its communications and reports to the Reserve Bank and the authorised dealer.

11. Method of Investment by capitalisation

An Indian Party may also make direct investment outside India in accordance with the Regulations in Part I by way of capitalisation in full or part of the amount due to the Indian Party from the foreign entity as follows:-

- (i) payment for export of plant, machinery, equipment and other goods/software to the foreign entity;
- (ii) fees, royalties, commissions or other entitlements of the Indian Party due from the foreign entity for the supply of technical know-how, consultancy, managerial or other services:-

Provided that where the export proceeds have remained unrealised beyond a period of six months from the date of export, such proceeds shall not be capitalised without the prior permission of Reserve Bank.

12. Export of Goods towards Equity

(1) An Indian Party exporting goods/software/plant and machinery from India towards equity contribution in a Joint Venture or Wholly Owned Subsidiary outside India shall declare it on GR/SDF/SOFTEX form, as the case may be, which shall be superscribed as “Exports against equity participation in the JV/WOS abroad”, and also quoting Identification Number, if already allotted by Reserve Bank.

(2) Notwithstanding anything contained in Regulation 11 of the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000, the Indian Party shall, within 15 days of effecting the shipment of the goods, submit to the Reserve Bank a custom certified copy of the invoice through the branch of an authorised dealer designated by it.

(3) An Indian Party capitalising exports under Regulation 10 shall, within six months from the date of export, or any further time as allowed by Reserve Bank, submit to Reserve Bank copy/ies of the share certificate/s or any document issued by the Joint Venture or Wholly Owned Subsidiary outside India to the satisfaction of Reserve Bank evidencing the investment from the Indian Party together with the duplicate of GR/SDF/SOFTEX form through the branch of an authorised dealer designated by it.

13. Submission of Information to Reserve Bank

- (1) Where the Indian Party holds 50% or more of the paid-up capital of the foreign entity and
 - (i) the foreign entity has been in operation for a period of less than two years; or
 - (ii) the Indian Party has not repatriated the amount of dividends, fees and royalties due to it from the foreign entity; or

- (iii) proceeds of exports to the foreign entity have not been realised in accordance with the Foreign Exchange Management (Export of Goods and Services) Regulations, 2000, or
- (iv) additional capital contribution will be required from India; or
- (v) the percentage of equity shareholding of the Indian Party in the foreign entity is being reduced otherwise than in pursuance of the laws of the host country,

the Indian Party shall not consent to the decision relating to the following subject matters, without prior approval of the Reserve Bank -

- a) undertaking any activity other than the activity in which the foreign entity was engaged/or proposed to be engaged at the time of investment by the Indian party; or
- b) participation in the capital of another foreign entity; or
- c) alteration of the company's capital structure, authorised or issued, or its shareholding pattern.

(2) The restriction contained in sub-regulation(1) shall not apply where the investment in the foreign entity is entirely made out of balances held in Exchange Earners Foreign Currency account of the Indian Party and/or out of foreign currency resources raised by the Indian Party through ADR/GDR issue.

14. Acquisition of a foreign company through bidding or tender procedure.

(1) On being approached by an Indian Party, which is eligible under the Regulations in Part I to make investment outside India, an authorised dealer may allow remittance towards earnest money deposit or issue a bid bond guarantee on its behalf for participation in bidding or tender procedure for acquisition of a company incorporated outside India,

(2) On the Indian Party winning the bid,

- (i) the authorised dealer may allow further remittances towards acquisition of the foreign company, subject to the ceilings specified in Regulation 6; and
- (ii) the Indian Party shall submit through the authorised dealer concerned a report to the Reserve Bank in form ODA within 30 days of effecting the final remittance.

(3) For participation in bidding or tender procedure for acquisition of a company incorporated outside India which does not fall within the provisions of sub-regulation (1), the Reserve Bank may, on application in Form ODI, allow remittance of foreign exchange towards

earnest money deposit or permit the authorised dealer in India to issue a bid bond guarantee, subject to such terms and conditions as Reserve Bank may stipulate.

(4) In case the Indian Party is successful in the bid but the terms and conditions of acquisition of a company outside India are,-

- (a) not in conformity with the provisions of Regulations in Part I, or different from those for which approval under sub-regulation (3) was obtained, the Indian Party shall submit application in form ODI to Reserve Bank for obtaining approval for the foreign direct investment in the manner specified in Regulation 9, or
- (b) in conformity with the provisions of the Regulations in Part I or are same as those for which approval under sub-regulation (3) was obtained, the Indian Party shall submit a report to the Reserve Bank, giving details of the remittances made, within 30 days of effecting the final remittance.

15. Obligations of the Indian Party

An Indian Party which has acquired foreign security in terms of the Regulations in Part I shall –

- (i) receive share certificates or any other document as an evidence of investment in the foreign entity to the satisfaction of the Reserve Bank within six months, or such further period as Reserve Bank may permit, from the date of effecting remittance or the date on which the amount to be capitalised became due to the Indian Party or the date on which the amount due was allowed to be capitalised ;
- (ii) repatriate to India, all dues receivable from the foreign entity, like dividend, royalty, technical fees etc., within 60 days of its falling due, or such further period as the Reserve Bank may permit;
- (iii) submit to the Reserve Bank every year within 60 days from the date of expiry of the statutory period as prescribed by the respective laws of the host country for finalisation of the audited accounts of the Joint Venture/Wholly Owned Subsidiary outside India or such further period as may be allowed by Reserve Bank, an annual performance report in form APR in respect of each Joint Venture or Wholly Owned Subsidiary outside India set up or acquired by the Indian Party and other reports or documents as may be stipulated by the Reserve Bank.

16. Transfer by way of sale of shares of a JV/WOS

Save as otherwise provided in the Act or rules or regulations made or directions issued thereunder or with the permission of the Reserve Bank, no Indian Party shall transfer by way of

sale to any person whether resident in India or outside India, any share or security held by him in a Joint Venture or Wholly Owned Subsidiary outside India.

17. Pledge of Shares of Joint Ventures and Wholly Owned Subsidiaries

An Indian Party may transfer, by way of pledge, shares held in a Joint Venture or Wholly Owned Subsidiary outside India as a security for availing of fund based or non-fund based facilities for itself or for the Joint Venture or Wholly Owned Subsidiary from an authorised dealer or a public financial institution in India.

Part II

Investments in Foreign Securities other than by way of Direct Investment

18. Prohibition on issue of foreign security by a person resident in India.

(1) Save as otherwise provided in the Act or in sub- regulation (2), no person resident in India shall issue or transfer a foreign security.

(2) A person resident in India, being an Indian company or a body corporate created by an Act of Parliament, which has obtained an approval of Government of India, Ministry of Finance (Department of Economic Affairs), may issue Foreign Currency Convertible Bonds (FCCBs) to a person resident outside India.

(3) The company/body corporate referred to in sub-regulation (2), issuing the FCCBs shall, within 30 days from the date of issue, furnish a report to the Reserve Bank giving the details and documents as under:

- a) A copy of Government's approval for issue of FCCBs
- b) Total amount for which FCCBs have been issued,
- c) Names of the investors resident outside India and number of FCCBs issued to each of them.
- d) The amount repatriated to India through normal banking channels and/or the amount received by debit to NRE/FCNR accounts in India of the investors (duly supported by bank certificate).

19. Permission for purchase/acquisition of foreign securities in certain cases

(1) A person resident in India being an individual may acquire foreign securities:-

- i) by way of gift from a person resident outside India; or
- ii) issued by a company incorporated outside India under Cashless Employees Stock Option Scheme:-

Provided it does not involve any remittance from India, or

- iii) by way of inheritance from a person whether resident in or outside India.

(2) A person resident in India, being an individual, who is an employee or a director of Indian office or branch of a foreign company or of a subsidiary in India of a foreign company or of an Indian company in which foreign equity holding is not less than 51 per cent, may purchase the equity shares offered by the said foreign company:-

Provided that -

- a) the shares are offered at a concessional price; and
- b) the consideration for purchase does not exceed U.S.\$ 10,000 or its equivalent in a block of five calendar years.

(3) An authorised dealer may allow the remittance by the person eligible to purchase the shares in terms of sub-regulation (2):-

Provided that the conditions specified in that sub-regulation are fulfilled.

20. Transfer of a foreign security by a person resident in India

A person resident in India, who has acquired or holds foreign securities in accordance with the provisions of the Act, rules or regulations made thereunder, may transfer them by way of pledge for obtaining fund based or non-fund based facilities in India from an authorised dealer.

21. Prior Permission from Reserve Bank in certain cases

(1) Reserve Bank, on an application, may permit a person resident in India to acquire foreign securities :-

- a) being the minimum number of qualification shares issued by a company incorporated outside India for holding a post of a director in the company;
- b) by way of right shares issued by a company incorporated outside India:-

Provided that the consideration for acquisition of such shares does not exceed US\$10,000 in a block of five calendar years:

Further provided that the right shares are being issued by virtue of holding shares in accordance with the provisions of the law for the time being in force;

- c) by way of purchase by the employees/directors of an Indian promoter company of shares of a Joint Venture or Wholly Owned Subsidiary outside India of the Indian promoter company, in the field of software:-

Provided that –

- (i) the consideration for purchase does not exceed US10,000 or its equivalent per employee in a block of five calendar years,
- (ii) the shares so acquired do not exceed 5% of the paid-up capital of the Joint Venture or Wholly Owned Subsidiary outside India, and
- (iii) after allotment of such shares, the percentage of shares held by the Indian promoter company, together with shares allotted to its employees is not less than the percentage of shares held by the Indian promoter company prior to such allotment.

(2) Reserve Bank may, on an application made to it by the Indian software company allow its resident employees (including working directors) to purchase foreign securities under the ADR/GDR linked stock option schemes:-

Provided that the consideration for purchase does not exceed US \$ 50,000/- or its equivalent in a block of five calendar years.

22. Investment by Mutual Funds

Reserve Bank may, on application, permit a Mutual Fund, to purchase foreign securities subject to such terms and conditions as it may stipulate.

(P.R. GOPALA RAO)
Executive Director

Schedule I
(See Regulation 8)

List of Sectors for which swap or exchange of shares route is available

1. Information Technology and Entertainment software.
2. Pharmaceutical Sector
3. Biotechnology

ODA

DIRECT INVESTMENT IN JOINT VENTURE(JV)/WHOLLY OWNED SUBSIDIARY (WOS)
ABROAD UNDER AUTOMATIC ROUTE

To

(Name and address of the authorised dealer)	For use by RBI only									
	Date of receipt:	Inward No.								
	Identification No,									
[All amounts in Foreign Currency (FC) and Indian Rupees (INR), should be in thousand only]										

I. GENERAL

Nature and category of the investment [Please tick(✓)the appropriate box] :			
A. Fresh Proposal		B. Supplementary Proposal	
(i)Participation in JV abroad		(a)(i)Enhancement of equity in existing JV/ WOS abroad	
(ii)Contribution in WOS		(ii) Grant/enhancement of loan in existing JV/WOS	
(iii)Full/partial* take over of an existing foreign concern		(iii) Extension/enhancement of guarantee	
(iv)Acquisition of a company overseas through bidding or tender procedure		(iv)Others (Please specify)	

(*Strike out whichever is not applicable)

II - PARTICULARS OF INDIAN PARTY

(a)Name and Address of the Indian party		
(b)Date of incorporation		(c) Status*

(d) Name of the Industrial House/ Group to which the Indian party belongs		
(e)(i) Existing line of activity of the Indian party (Please tick the appropriate box)		(ii) Brief particulars of the products manufactured/goods traded/services rendered
Manufacturing		
Trading		
Financial Services		
Non-Financial Services		
Others (please specify)		

(f) Years of experience in the existing line of activity

(g) Financial details for the last three years (Amount in INR)

Financial Year ending	Domestic sales/turn-over	Foreign exchange earnings from exports (excluding equity exports to existing JV/WOS)	Foreign exchange earnings (other than exports)	Net profit/ (Loss)	Paid-up capital	Net worth
(1)	(2)	(3)	(4)	(5)	(6)	(7)

*(a) Public Ltd. Company (1), (b) Private Limited Company (2)
(c) Public Sector Undertaking (3), (d) Others (4) (Please specify)

(h) Particulars of EEFC Account (Amount in FCY)

Account No.	Balance as on	Name of the Bank/Branch

(i) Particulars of ADR/GDR funds raised (applicable only where the proposed investment is funded fully/partly out of ADR/GDR funds) (Amount in FCY)

(i) Date of issue		(iv) Amount utilised so far	
(ii) Amount issued		(v) Out of (ii) above, amount utilised for overseas investments	
(iii) Issue Price		(vi) Balance available (Please indicate where the funds have been parked)	

III - PARTICULARS OF THE FOREIGN PARTNER / CONCERN

(a)Date of incorporation :												
					D	D	M	M	Y	Y	Y	Y
(b) Address of the foreign partner/concern												
(c)Years of experience in the proposed field of collaboration :												
(d)Financial details during the last three years :												

(Amount in FCY)

Accounting year ending	Sales/turnover	Net fixed assets	Net Profits/(loss)	Paid-up capital	Net worth	Dividend (%)
(1)	(2)	(3)	(4)	(5)	(6)	(7)

IV.Particulars of JV/WOS

(i) Line of activity of the proposed JV/WOS(Please tick the appropriate box)

(ii)Brief particulars of the products manufactured/goods traded/services rendered

(a) Manufacturing

(b) Trading

(c) Financial Services

(d) Non-financial services

(e) Others (Please specify)

(iii) Location (country) of the proposed JV/WOS :

(iv)Time-frame for project implementation of the project :

(v)Accounting year followed in host country :

V. Financial Package

(Amount in FCY)

(a) Estimated cost of the project -

of which	
(i) Cost of capital equipment	
(ii) Cost of land	
(iii) Cost of civil works	
(iv) Cost of misc. fixed assets	
(v) Preliminary & pre-operative expenses	
(vi) Contingencies	
(viii) Others (Please specify)	

Total*			
(b) Equity share capital of the JV/WOS			
(i) By the Indian party	% to total equity	(ii) By foreign collaborator	% to total equity

*Where the investment is for partial/full take over of an existing foreign concern, the total cost of acquisition may be furnished. A certificate from a chartered Accountant about reasonableness of the acquisition price should be enclosed.

(c) <u>Debt Finance</u>		<u>(Amount in FCY)</u>			
	<u>Amount</u>		<u>Period</u>		<u>Rate of Interest</u>
	TL*	WC**	TL	WC	TL WC
(i) By the Indian Party					
(ii) By the Foreign Partner					
(iii) By banks/FIs in India					
(iv) By banks/FIs abroad					
Total					
* TL = Term Loan		** WC = Working Capital			

[V(a) should tally with the sum of equity and term loan as given at (b) and (c) above (Amount in FCY)]			
(d) Guarantees/other contingent liabilities	Amount	Period	Remittance towards invoked guarantee
(i) By Indian Party			
(ii) By Foreign Partner			
(iii) By banks/FIs in India			
(iv) By banks abroad			

VI. Method of Contribution by Indian party		(Amount in FCY)
		Amount
(i)	Foreign exchange from the market	
(ii)	Out of EEFC balances	
(iii)	Out of ADR/GDR proceeds	
(iv)	Capitalisation of export proceeds	
(v)	Capitalisation of other dues (Please specify)	

VII. Profitability Projections of the overseas JV/WOS							(Amount in FCY)
	Years of operation						
	1	2	3	4	5	Total	
(a)	Gross sales/turnover						
(b)	Net Profit(Loss)						
(c)	Dividend						
(d)	Net worth						

VIII. Projected repatriable entitlements, if any							(Amount in FCY)
	Years of operation						
	1	2.	3	4	5	TOTAL	
(a)	Dividend						
(b)	Others (Please specify)						
	TOTAL						

IX. Projected non-equity exports							(Amount in INR)
	Years of Operation						
	1	2	3	4	5	TOTAL	
FOB Value							

DECLARATION

We hereby certify that (i) the information furnished above are true and correct, (ii) all the legal and other formalities in India and the host country for the above investment have been/will be complied with, (iii) the amount of investment by way of equity/loan and 50% of the guarantee, either out of market purchase of foreign exchange or the balances held in the EEFC account, utilisation of ADR/GDR proceeds, capitalisation of exports/other entitlements is within the limit of US\$ 50.00 mn. in a block of three years as per extant regulations and (iv) no investigations by Directorate of Enforcement are pending against us and (v) our name is not in the Exporters' Caution List of the Reserve Bank.

Place: _____

Date : _____

Stamp/Seal

(Signature of authorised official)

Name:-----

Designation-----

List of enclosures :

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

Certificate by Authorised Dealer

Forwarded to Reserve Bank of India, Exchange Control Department, _____ Regional Office for information and necessary action.

*It is certified that the remittances in the manner indicated at VI above towards overseas investment have been effected by us after obtaining/verifying the documents prescribed in terms of AD/MA Circular No. _____ Dated 2000/ Foreign Exchange Management (Transfer and Issue of Foreign Security) Regulations, 2000.

*It is certified that remittance towards claim under the invoked guarantee indicated at V(d) above have been made after satisfying that the guarantee has been invoked in accordance with the terms and conditions of its issue.

* Where applicable.

Place:

Date

Stamp/Seal

(Signature of authorised official)

Name:-----

Designation-----

Certificate by Statutory Auditors of the Indian party

It is certified that the terms and conditions contained in AD/MA Circular No. _____ Dated

/Foreign Exchange Management (Transfer & Issue of Foreign Securities) Regulations, 2000 have

been complied with by the Indian party in respect of the investment under report. In particular, it is further certified that- (i) overseas investment is in the core activity area of the Indian party, i.e. the activity which constitute at least 50% of the turn over of the Indian party in the previous accounting year, (ii) the Indian party has earned net profit during the preceding three accounting years, (iii) the investment is not in real estate oriented or banking business, and (iv)* the amount of foreign exchange proposed to be purchased for remittance towards the investment together with remittances already made and exports and other dues capitalised for investment abroad during the current financial year under the Automatic Route is/will be within 25% of the net worth of the Indian party as on the date of last audited balance sheet, (v)**that the Indian party has (a) a minimum networth of Rs.15 crores; (b)has made net profits during preceding three years, (c) has fulfilled the prudential norms of capital adequacy as prescribed by the concerned regulatory authority; and (d) has been registered with the appropriate regulatory authority in India for conducting financial services activity and (vi)*** proceeds of ADR/GDR being used for the investment is within 50% of the amount raised abroad by way of ADR/GDR issues.

*Applicable if investment in part or full is funded out of purchase of foreign exchange from market and/or capitalisation of exports & other dues.

**Applicable only in cases where the investment is in the financial services sector (e.g. insurance, mutual fund , asset management, etc.)

***Applicable where investment is funded, in part or full, out of ADR/GDR proceeds.

Place:

Date

Stamp/Seal

(Signature of Statutory Auditor)

Name:-----

Address:-----

Instructions for filling up the Form ODA

(This part should be detached and retained by the Indian party)

1. This form, in triplicate, should be submitted through authorised dealer at the time of making remittance. In all other cases of financial commitment not involving remittance, the form in duplicate should be forwarded to the concerned Regional Office of the Reserve Bank within 30 days of making investments through the authorised dealer.

2. The form should be complete in all respects and accompanied by (i) the prescribed certificate from the authorised dealer, (ii) certificate from the statutory auditors in the format given in the form and (iii) certified copy of the resolution of the Board of Directors approving the investment. In respect of supplementary proposals involving additional equity, loan or guarantee, the particulars furnished in form ODA submitted earlier in respect of the same JV/WOS need not be repeated; however, revised particulars, to the extent applicable, may only be indicated.

3. 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.

4. Where there are more than one Indian party making investment in the same JV/WOS overseas, form ODA should be submitted by all the Indian parties jointly to one AD along with a certificate(s) from other ADs, if remittances are effected by the latter.

5. Wherever the initial investment in a JV/WOS has been made out of balances in the EEFC account/ADR/GDR proceeds, subsequent investment in such JV/WOS should not be made unless the Indian party comply with the requirements applicable to investments under the Automatic Route.

6. In case where the Indian party is successful in the bid for overseas acquisitions for which it has already made remittance towards Earnest Money Deposit or issued bid bond guarantee, under a bidding or tender procedure, it should, while effecting the final remittance towards such acquisition, submit a report in this form ODA to the authorised dealer for onward transmission to the concerned Regional Office of the Reserve Bank.

ODG
Report on overseas acquisition made under the
ADR/GDR Stock Swap Scheme

For Office Use.									
Date of Receipt:									
Approval No.:									

I. General

a) Name and address of the Indian Company : _____

b) Date of Incorporation

D	D	M	M	Y	Y	Y	Y

c) Line(s) of activity (activities) : _____

d) Financial details of the Indian company for the last three years :-

(Rs. in crores)

Financial year ended	Domestic sales	Forex Exchange earnings from exports	Forex earnings (other than export of goods/ services)	Paid up capital	Net Profit/ (Loss)	Net-worth
_____	_____	_____	_____	_____	_____	_____
(1)	(2)	(3)	(4)	(5)	(6)	(7)
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

II. Details of ADRs/GDRs issued on Stock Swap basis for the acquisition under report _____ :

a) Number and Amount of ADRs/GDRs issued for the purpose

b) (i) Name of the stock exchange on which

the ADRs/GDRs are listed

- (ii) Name of the Issue Manager
- c) Number of underlying share of the Indian company for each ADR/GDR issue
- d) (i) Acquisition price per share of the overseas (acquired) company
- (ii) Price of share recommended by the Investment Banker
- e) Price of each underlying share and ADR/GDR of the Indian company (acquiring company)
- f) Basis of valuation of price of the share of the Indian company
- g) Share Exchange Ratio
(Share price of the acquired company/
share price of the acquiring company)

III. Details of the foreign (acquired) company

a) Name and address of the company : _____

b) Name(s) and address of the share holders of the acquiring company offering the shares in exchange _____

c) Line(s) of activity (activities) of the company _____

d) Financial particulars of the company for the last 3 years

Accounting year ended	Name of Foreign Currency	Gross Sales/ Turnover	Net Profit/ (Loss)	(Amount in Foreign Currency/million)	
				Paid up capital	Net-worth
(1)	(2)	(3)	(4)	(5)	(6)
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

iv) Post-acquisition equity structure of Indian company (acquiring company) and foreign company (acquired company)

(a) <u>Indian Company</u>		(b) <u>Foreign Company</u>	
(% of non-resident holding to total equity)		(% of Indian holding to total equity)	
<u>Pre acquisition</u>	<u>Post acquisition</u>	<u>Pre acquisition</u>	<u>Post acquisition</u>
_____	_____	_____	_____

v) Cumulative position of ADRs/GDRs issued for overseas acquisitions under the scheme

Sr.No.	Date of Issue	Amount of Issue	Issue price per ADR/GDR	Amount outstanding	(Amount in Foreign Currency/million)	
					Name of the foreign company acquired	Date of report to RBI in form ODG
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	_____	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____	_____

vi) Any other information relevant to the acquisition under report

DECLARATION

It is certified that the information furnished above is true and correct. It is further certified that all the legal and other regulatory requirements in India and the host country of acquisition have been complied with.

Place _____

(Signature of authorised official)

Date _____

Stamp &
Seal

Name : _____

Designation : _____

- Encls : 1. _____ 4. _____
 2. _____ 5. _____
 3. _____ 6. _____

Instructions for filling up the form

(This may be detached and retained by the Indian company)

1. ODG form complete in all respects should be submitted in triplicate to the Chief General Manager, Exchange Control Department, Reserve Bank of India, Central Office, Overseas Investment Division, Amar Building, Mumbai 400 001.

2. The following documents should be enclosed to this form :-

(A) A statement from the Statutory Auditors of the Indian company certifying that :

(i) at least 80% of the average turn-over of the Indian company in the three previous financial years is from the specified activities/sectors (viz.IT and Entertainment Software Pharmaceuticals, Biotechnology and other sectors as may be notified from time to time) or the Indian party has an annual average export earnings of at least Rs.100 crores in the three previous financial years from these activities/sectors;

(ii) the issued amount of the ADRs/GDRs exchanged for acquiring shares of the overseas (acquired) company is within the limit specified in the Foreign Exchange Management (Transfer or issue of Foreign Security) Regulations, 2000.

(iii) the ADRs and/or GDRs issued for the purpose of acquisitions are backed by underlying fresh equity shares of the Indian party;

(iv) after the new ADR and/or GDR issue, the total holding in the Indian party by persons resident outside India in the expanded capital base, does not exceed the sectoral cap prescribed under the relevant regulations for such investments in the activities in which the Indian party is engaged; and

(v) where the shares of the foreign (acquired) company are not listed in any stock exchange, its valuation for acquisition is in accordance with the recommendations of the Investment Banker

or

where the shares of the foreign (acquired) company is listed on a stock exchange abroad, the valuation of its shares is based on current market capitalisation of the acquired company arrived at on the basis of monthly average price on any stock exchange abroad for the 3 months preceding the month in which is the acquisition is committed and over and above, the premium, if any, as recommended by the Investment Banker in its due diligence report.

(B) Copy of the report together with due diligence report, if any, from an Investment Banker in support of the valuation as indicated at above.

(C) Other relevant documents as submitted to the Stock Exchange/Regulatory Authorities in the host country of the company acquired.

ODI

Application to Reserve Bank of India for Direct Investment in a Joint Venture/ Wholly Owned
Subsidiary Abroad

For office use only

Date of Receipt -----
Inward No. -----

All amounts of foreign
currency (FCY) & Indian
Rupees (INR) should be
in thousands only, i.e.,
'000 should be omitted

Part A - General

I. Brief Particulars of proposed Investment

(i) Financial commitment(in FCY) ----- (ii) Country of location -----

(iii) Nature of Investment

(A) Investment in a new project OR (B) Investment in an existing project (i.e.
(i.e. fresh proposal) supplementary proposal)

Please indicate 13 digit Approval/Identification No.
issued by
RBI

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Purpose of Investment

Purpose of Investment

- (a) Participant in JV
- (b) Contribution in WOS
- (c) Full acquisition of a foreign concern
- (d) Partial acquisition of a foreign concern
- (e) Others (please specify)

- (a) Enhancement of equity of the existing JV/WOS
- (b) Grant of/Enhancement of loan
- (c) Extension/Enhancement of Guarantee
- (d) Others (Please specify)

II. Line of Activity of the JV/WOS

(Please tick the relevant box)

<p>(a) (i) Manufacturing</p> <p>(ii) Trading</p> <p>(iii) Financial</p> <p>(iv) Non Financial Services</p> <p>(v) Others (Please specify)</p>	<table border="1" style="border-collapse: collapse; width: 50px; height: 100px;"> <tr><td style="width: 50px; height: 25px;"></td></tr> <tr><td style="width: 50px; height: 25px;"></td></tr> <tr><td style="width: 50px; height: 25px;"></td></tr> <tr><td style="width: 50px; height: 25px;"></td></tr> <tr><td style="width: 50px; height: 25px;"></td></tr> </table>						<p>(b) Brief particulars of products to be manufactured/goods to be traded / services to be rendered</p> <p>-----</p> <p>-----</p>

III. Proposed capital structure of the JV/WOS

<p>(a) Indian Party (ies) % stake in equity</p> <p>1. ----- -----</p> <p>2. ----- -----</p> <p>3. ----- -----</p>	<p>(b) Foreign Partner(s) % stake in equity</p> <p>1. ----- -----</p> <p>2. ----- -----</p> <p>3. ----- -----</p>
---	---

Part –B - Particular of Indian Party(ies) and Foreign Partner(s) indicated at A. III above.

I. Indian Party

(Cases where there are more than one Indian party, information may be given on separate sheets for each of the parties)

(i) Name & Address _____

(ii) Date of Incorporation _____ **(iii) Date of Commencement** _____
of Business

(iv) Status * _____ (v) Existing Line of Activity _____

(v) Years of experience in the line of Activity. _____

(vi) % of Non-resident interest in the share capital of the Indian Party _____

* (a) Public Ltd. Company (1), (b) Private Limited Company (2), (c) Public Sector Undertaking (3), (d) Others (4) (Please specify).

(vii) Financial particulars of the Indian Party for the last 3 years

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 Profit/(Loss)	Paid-up capital	Net worth
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1						
2						
3						

(viii) Particulars of existing Joint Ventures (JV) and Wholly Owned Subsidiaries (WOS) already in operation or under implementation, of the Indian party and its group concerns and foreign exchange earnings from these concerns :

Sr. No	Name of Indian Party	Name of JV/WOS/ Country	Approval No. allotted by Reserve Bank	<u>Amount</u> of investment (Amount in FCY)		
				<u>Equity</u>	<u>Loan</u>	<u>Guarantee</u>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1						
2						
3						
4						
5						

Total Repatriations (R) vis-à-vis Entitlements (E) (entitlements & repatriations in the last 3 years to be given in brackets)

Total non-equity of export made so far (figures for last three years to be given in brackets)

	Dividend		Others		Projected exports	Exports made	Outstanding, if any
	(E)	(R)	(E)	(R)			
	(8)	<u>(9)</u>	(10)	(11)	(12)	(13)	(14)
1.							
2.							
3.							
4.							
5.							

II. Particulars of the Foreign Partner(s)/concern

(To be filled in case of foreign investment in JVs only. Cases where there are more than one foreign partner, information may be given on separate sheets for each of the collaborators)

(a) Name & Address of the foreign partner/concern: _____

(b) Date of incorporation

(c) Years of experience in the
 proposed field of collaboration

(d) Financial particulars of the foreign partner/concern during the last 3 years:

Accounting Year ending (1)	Sales (2)	Net profits/(loss) (3)	Paid-up Capital (4)	Net worth (5)	(Amount in FCY)
					Dividend % (6)
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Part –C - Performance of the JV/WOS

(To be filled in case of supplementary proposals only)

I. Date of latest Annual Performance Report (APR) submitted to Reserve Bank

D	D	M	M	Y	Y	Y	Y

II. Date of Incorporation

D	D	M	M	Y	Y	Y	Y

III. Date of commencement of business

D	D	M	M	Y	Y	Y	Y

IV. Capital structure of the JV/WOS

(Amount in FCY)

(a) Indian Equity

Approved Amount (i)	% age to total equity (ii)	Actual investment (iii)	% age to total equity (iv)

(b) Mode of Indian equity investment

(i) Cash Remittance

(ii) Capitalisation of

**(a) Exports of plant
& Machinery/goods**

(b) Others (Please specify)

(iii) GDR/ADR proceeds

(iv) Swap of shares

(v) Bonus shares

(vi) Out of EEFC balances

(vii) Others (please specify)

Total :

(c) Foreign equity: i) Amount _____ ii) % to total equity _____

V. (a) Position of Term Loan (TL) /Working Capital (WC) Loan availed of by JV/WOS

(Amount in FCY)

	Amount approved		Outstanding amount		<u>Overdue amount , if any</u>			
	TL	WC	TL	WC	TL	WC	<u>Total</u> TL + WC	
(i) From Indian Party								
(ii) From foreign partner								
(iii) From Indian banks/ financial institutions								
(iv) Others (Please specify)								
Total:								

(b) Position of guarantees extended to JV/WOS

(Amount in FCY)

	Amount of guarantee approved/extended	Amount invoked/claimed (if any)	Date of Invocation	Amount paid so far
(i) By Indian Party (ii) By foreign party (iii) By banks /financial institutions in India (iv) By banks /financial institutions outside India (v) Others (Please specify)				

VI. Operational details of the JV/WOS for the last three years

(Amount in FCY)

	<u>(Year ended)</u> (1)	<u>(Year ended)</u> (2)	<u>(Year ended)</u> (3)
(i) Gross Sales/Turnover			
(ii) Net Profit/(Loss)			
(iii) Dividend			
(iv) Net Worth			

VII. Entitlements(E) and Repatriation (R) from the JV/WOS

	(During the last year ended)	(Since commencement of business)	(Total outstanding entitlement due for repatriation)
(i) Dividend			
(ii) Others* (Please specify)			
(iii) Non equity exports realised			
(iv) FDI Inflows			

* (Royalties, technical know-how fees, consultancy fees, etc.)

VIII. Present proposal in brief with supporting reasons:

Part-D- Financial Package of JV/WOS

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

I. Rate of exchange applied for the projections.

$$\frac{1 \text{ US \$}}{\text{FCY}} = \frac{\text{INR}}{\text{Units = US \$}}$$

II. Estimated cost of the project * (Amount in FCY)

- (i) Cost of capital equipment
- (ii) Cost of land
- (iii) Cost of civil works
- (iv) Cost of misc. fixed assets
- (v) Preliminary & preoperative expenses
- (vi) Contingencies
- (vii) Others (Please specify)

Total :

* In case of supplementary proposals, the revised cost of the project may be indicated

III. Financing of the estimated project cost:

	<u>Equity</u>		Term loan(TL)/ Working Capital			Guarantee	
	Amount of Equity	% age to total Equity	(WC)			Amount	Period
			Amt.	Period.	Rate of Interest		
(A) By Indian Party(ies)							
(i)							
(ii)							
(iii)							
SubTotal :							

(B) By Foreign Partners							
(i)							
(ii)							
(iii)							
Sub-total							
C) By Banks/ Fis/others							
i)							
ii)							
iii)							
<u>Sub Total</u>							
Total of A to C							

(Equity share capital plus term loan above should be equal to the total cost of the project as at II above.)

IV Method of Investment

(Amount in FCY)

- (a) By the Indian party
 - (i) Cash remittance
 - (ii) Capitalisation of
 - (A) Export of plant & machinery/goods
 - (B) Others (Please specify)
 - (iii) ADRs/GDRs raised abroad
 - (iv) Swap of shares
 - (v) Others(Please specify)
 - Total
- (b) By the foreign partner
 - (i) Cash
 - (ii) Fixed assets
 - (iii) Loans
 - (iv) Others (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 ADRs/ GDRs
 - (iv) Loans from banks/financial institutions

- (v) Out of balance in EEFC Account
- (vi) Swap of shares
- (vii) Others (Please specify)
- Total

V. Management of the foreign concern. (Whether the Indian party will have management control? If yes, give brief particulars of management/managerial functions to be discharged by the Indian party).

PART - E – Financial projections of the fresh/ revised financial projections in case of supplementary investment proposals

I. Profitability Projections: (Amount in FCY)

Years of operation

		1	2	3	4	5
(a)	Gross sales/turnover					
(b)	Operating cost excluding depreciation and interest					
(c)	Depreciation					
(d)	Interest					
	(i) On term loans					
	(ii) On Working Capital loans					
(e)	Tax					
(f)	Net Profit)/(Loss)					
(g)	Dividend					
(h)	Transfer to reserves					
(i)	Accumulated reserves & surplus /(loss)					
(j)	Net-worth					

II. Repatriable entitlements of Indian Party, net of host country tax, during the next 5 years of operation (Amount in FCY)

Years of operation

		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>Total</u>
(a)	Dividend						
(b)	Technical know-how fees						
(c)	Royalty						
(d)	Engineering/ Technical services fees						
(e)	Consultancy/ Management fees						
(f)	Selling agency commission						
(g)	Others (Please specify)						
	Total						

III. Projected for non equity/incremental exports (Amount in INR)

Years of operation

1 2 3 4 5 Total

FOB Value

IV. (a) Whether the applicant party/ies, its promoters, directors, etc. have come under investigations by Enforcement Directorate. If yes, the brief details thereof including present stage of investigation/adjudication/manner of disposal of the case should be furnished.

(b) Whether the promoter Indian party/ies is/are presently on the Exporters' Caution - list of RBI for non-realisation of export proceeds. If so, the present position may be indicated.

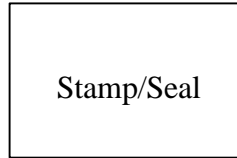
V. Any other information relevant to this proposal, including any special benefits/incentives available in the host country for setting up/acquiring the proposed concern:

VI. Name and address, telephone, telex and fax numbers of the branch of the authorised dealer through whom remittance towards the investment will be made.

[DECLARATION]

I/We hereby certify that the information furnished above are true and correct.

Place
Date:



(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) Application complete in all respects must be submitted in three sets 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, 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, 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 statement and balance sheets for five years, the information on various leverage and profitability ratios like debt-equity ratio, debt service coverage ratio, return on investments, etc. of the foreign concern accompanied by the statement from a Chartered Accountant certifying the ratios and projections, given in the application/report.

- (c) A report from the bankers of the Indian party in sealed/closed cover.
- (d) The latest Annual Accounts, i.e. Balance Sheet and Profit and Loss Account alongwith Directors' Report of the Indian party.
- (e) 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) Latest Annual Accounts, i.e. the Balance Sheet and Profit and Loss Account alongwith Directors' report of the foreign concern ; and
 - (iii) A copy of the share valuation certificate from a Chartered Accountant/Auditors' firm.
- (f) A copy of the resolution of the Board of Directors of the Indian party/(ies) approving the proposed investment.
- (g) Where investment is in the financial services sector, a certificate from a Chartered Accountant/Auditor's firm to the effect that the Indian Party :
 - (i) has earned a net profit during the preceding three years from the financial services activity;
 - (ii) is registered with the appropriate regulatory authorities;
 - (iii) has a minimum net-worth (paid-up capital and free reserves) of not less than Rs.15 crores as on the date of last audited balance sheet; and
 - (iv) has fulfilled the prudential norms relating to capital adequacy as prescribed by the concerned regulatory authority in India.

2. Where there are more than one Indian promoter of the JV/WOS, only one application should be submitted on behalf of all the promoters.

3 (a) In case an Indian party is seeking approval for acquisition of overseas concern through bidding/tender procedure (with/without remittance of any earnest money deposit (EMD)/issue of bid bond guarantee), Indian Party should approach the Reserve Bank atleast one month in advance from the last date for submission of bid to the overseas authority with the following documents :

- (i) application in form ODI, to the extent applicable;

- (ii) certified relevant extracts of the terms and conditions of bid;
- (iii) Chartered Accountant's certificate indicating the valuation of shares and assets of the overseas concern justifying the acquisition price, where applicable; and
- (iv) a project/feasibility report.

(b). In the case where the bid is won by the Indian Party but the terms and conditions of the acquisition are different from those furnished earlier to the Reserve Bank, the Indian Party should apply afresh to the Reserve Bank in form ODI for prior approval before putting through the transaction.

ODB

Application for issue of ADRs/GDRs on back to back basis for overseas acquisitions

- i) **Name and address of the Indian Company :**
- ii) **Status of Indian Company [public limited : company, private limited company, public sector undertaking or others (please specify)]**
- iii) **Name of the Industrial Group/House to which the applicant company belongs :**
- iv) **Date of incorporation :**
- v) **Existing line(s) of activity (activities) :**
- vi) **Financial particulars of the Indian company for the last three years. :**

(Rs.in crores)

Financial year ended	Domestic Sales	Forex earnings by way of exports	Forex earnings (other than export of goods/services)	Net Profits/ (Loss)	Paid up capital	Net worth
(1)	(2)	(3)	(4)	(5)	(6)	(7)
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

- vii) **Particulars of the existing overseas JV/WOS set up /acquired by the applicant company and its operational details for the last three years.**

(Amount in foreign currency / million)

Name of the overseas concern and its location	Approval No. issued by RBI	Name of foreign Currency	Amount of Investment		
			Equity Guarantee	Loan	
(1)	(2)	(3)	(4)	(5)	(6)
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Average annual turnover	Amount Dividend	repatriated to India Other entitlements	Exports realised	Profit(loss) during the last year	Net worth as per the last balance sheet
(7)	(8)	(9)	(10)	(11)	(12)
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

vii) Amount of blanket approval limit being sought for and the justification therefor .
(Please see the instructions)

viii) If the applicant company or its sister concern/promoters/directors are under Exporters' Caution List of the Reserve Bank or their affairs are under investigation by Directorate of Enforcement/other law enforcing agencies, the brief particulars thereof and the present position may be indicated here.

Declaration

It is hereby certified that the information furnished above is true and correct. It is further certified that all the legal and other regulations/requirements in India and the host country of acquisitions will be complied with when the transactions for the acquisitions are put through after obtaining necessary approval from the Reserve Bank.

Place _____

Date _____

Stamp/Sea
l

 Signature of the authorised official
 Name _____

Designation _____

List of enclosures:

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

Instructions for filling up the form ODB

- 1. The form complete in all respects should be submitted in triplicate to the Chief General Manager, Reserve Bank of India, Exchange Control Department, Central Office, Overseas Investment Department, Amar Building, Mumbai – 400 001.**
- 2. For foreign currency, SWIFT codes may be used.**
- 3. The application should be accompanied by a statement from a Chartered Accountant certifying that at least 80% of the average turn-over of the applicant company in the previous three financial years is from the specified activities/sectors (viz Information Technology and Entertainment software, Pharmaceuticals and Biotechnology and other sectors as may be notified from time to time) or the applicant company has an annual export earnings of at least Rs.100 crores in the three previous financial years from these activities/sectors.**
- 4. If any specific acquisition deal has been negotiated, the details thereof including the name of the overseas company being acquired, its performance for the last three years, share exchange ratio, acquisition price, valuation report from the Investment Banker and the likely benefits to the acquiring company may also be furnished as an Annexure.**
- 5. A brief write-up incorporating, inter alia, the tentative business plan of overseas acquisitions, country of location of such foreign companies and their line of activity and financial and operational particulars, rough estimates of acquisition cost and the basis thereof, likely benefits to the applicant company and the country from such acquisitions, such as, synergy between operations, dividend and other inflows, access to technology, incremental exports, etc. should be enclosed to this form. The information furnished will be kept confidential.**

7. (a) Line of activity of the JV/WOS (please tick the appropriate box)
- : (i) Manufacturing
 - (ii) Trading
 - (iii) Financial Services
 - (iv) Non-financial services
 - (v) Others

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

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(Code to be filled in by RBI)

PART - B FINANCIAL STRUCTURE

8. (a) Capital structure Of the JV/WOS:	Total amount approved				Actual amount held					
	% of the total equity	FC		INR		% of the total equity	FC		INR	
(i) Indian equity	<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"/>
(ii) Foreign equity	<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"/>

(b) Equity structure of the JV/WOS:

Name of Indian promoters	Equity percentage	RBI holding licence (No. & date)	Name of the foreign collaborators	Country to which they belong	Equity percentage
--------------------------	-------------------	----------------------------------	-----------------------------------	------------------------------	-------------------

- (i)
- (ii)
- (iii)

(c) Method of acquiring equity shares by Indian promoters	Total amount approved				Actual amount acquired/held				
	FC		INR		FC		INR		
(i) Cash remittance	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
(ii) Capitalisation of:-									
(I) Export of plant and machinery/ goods	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
(II) Technical know-how fees	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
(III) Royalty	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	

(IV)	Engineering/ Technical services Fees	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(V)	Consultancy/ Management fees	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(VI)	Selling agency commission	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(iii)	GDR/Foreign currency loans raised abroad	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(iv)	Bonus shares				
(v)	Other methods () Please specify	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
	Total :	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

9. Position of term/working capital loans/guarantees: **(Amount only in FC)**

	Total amount approved	Outstanding amount	Overdue amount		
			Principal	Interest	Total

(a)	Term loans from :				
(i)	Indian promoters	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(ii)	Banks/financial Institutions (FIs)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(iii)	Others () Please specify	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

(b) Working capital loans from :
(please see Item `H' of the Annexure) :

(i) Indian promoters	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(ii) Banks/FIs	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(iii) Others () Please specify	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

(c) Guarantees from :

	Total amount approved/extended	Total amount invoked/claimed	Date of invocation	Amount paid so far
(i) Indian promoters	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(ii) Banks/FIs	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
(iii) Others () Please specify	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

10. Amount of foreign exchange released to the Indian promoter company(ies) on repatriation basis for different purposes: (Amount only in FC)
- (please see Item `I' of the Annexure)

Sr. No.	Purpose	Date and amount of remittance			Amount repatriated so far
		Date		Amount	
1.		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2.		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3.		<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

PART C - PERFORMANCE PARAMETERS

	Amount		Amount
11. Operational details of the JV/WOS for the year under report (Amount only in FC)			
(a) Installed capacity*			
(i) Unit name		(g) Tax	
(ii) Amount ('000 omitted)		(h) Net profit (+)/Loss(-)	
(b) Capacity utilisation* (only %)		(i) Dividend	
(c) Gross sales/receipts		(j) Transfer to reserves	
(d) Operating cost (excluding depreciation & Interest)		(k) Free reserves & surplus	
(e) Depreciation		(l) Accumulated losses	
(f) Interest		(m) Net worth	

* applicable to manufacturing concerns only

12. (a) Entitlements (E) & Repatriations (R) (net of taxes) by the JV/WOS: **(Amount only in FC - INR equivalent to be given in brackets for repatriations only)** (please see Item `I' of the Annexure)

Items	Year under report		Since commencement of business by JV/WOS				Total outstanding entitlements due for repatriation		
	(E)	(R)	(E)	(R)	(E)	(R)			
(i) Dividend	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>
(ii) Technical know-how fees	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>
(iii) Royalty	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>
(iv) Engineering/Technical service Fees	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>
(v) Consultancy/Management fees	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>
(vi) Selling agency commission	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>
(vii) Others ()	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>
Please specify									
Total :	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>	<input type="text"/>	[]	<input type="text"/>

(b) Break-up of outstanding entitlements (Amount only in FC) - (please see Item `J' of the Annexure)

Accounting year for which outstanding	Dividend	Technical know-how fees	Royalty	Engineering/ Technical service fees	Consultancy/ Management fees	Selling agency commission	Others () Please specify
<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"/>
<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"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

13 Position of non-equity exports to the JV/WOS:
(Amount only in INR)

	Year under report						Since the commencement of business by JV / WOS					
(a) Projected value												
(b) Value actually exported so far												
(c) Value realised so far												
(d) Value outstanding for realisation beyond 6 months												

14. If the performance of the JV/WOS has not been satisfactory, indicate the principal reason(s) by ticking (û) the appropriate box(es):

- | | | | | | |
|---|---|--------------------------|--------------------------------|---|--------------------------|
| (a) Non-cooperation of foreign collaborator | : | <input type="checkbox"/> | (e) Management problems | : | <input type="checkbox"/> |
| (b) Liquidity problems | : | <input type="checkbox"/> | (f) Obsolescence of technology | : | <input type="checkbox"/> |
| (c) Competition from importers | : | <input type="checkbox"/> | (g) Marketing problems | : | <input type="checkbox"/> |
| (d) Change in Law/policy of host country | : | <input type="checkbox"/> | (h) Others () | : | <input type="checkbox"/> |
| | | <input type="checkbox"/> | please specify | | <input type="checkbox"/> |

15. A note on the basic features of the progress and achievements of the JV/WOS on the basis of original/revised projections should be attached to this APR (please see Item `K' of the Annexure before preparing the note).

DECLARATION

We hereby declare that the information furnished in this report are true and correct to the best of our knowledge & belief.

Place :

Date :

	Seal	Stamp	<u>Name</u>	:	<input type="text"/>
			Designation	:	<input type="text"/>

(Signature of authorised official / person)

- Encls : 1. Note on functioning of the JV/WOS
 2. Annual account along with Directors Report for the year ended
3. Bank certificates in respect of repatriations :
 4.

ANNEXURE INSTRUCTIONS FOR FILLING OF THE APR

(This portion should be detached and retained by the Indian promoter company submitting the APR)

- A (i) This form, duly filled in, should be submitted within 30 days of the expiry of the statutory period for the finalisation of the audited annual accounts applicable in the host country of the JV/WOS. A certificate indicating the statutory period from an independent Chartered Accountant / Public Accountant of the host country should be attached.
- (ii) In case, there is no such statutory period, this form should be submitted within 6 months from the close of relevant accounting period.
- (iii) In case there are more than one Indian promoter company, the principal promoter company has to submit the APR on behalf of all other promoter companies.
- B. The Indian promoter company of the JV/WOS should submit this form in duplicate to the concerned Regional Office of Exchange Control Department of Reserve Bank of India and another copy to Ministry of Commerce, EP(OI) Section, Government of India, Udyog Bhavan, New Delhi - 110 011.
- C (i) All amounts of Foreign Currency (FC) and Indian Rupee (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.
- (ii) Capital letters should be used for filling up this form.
- D. Additional sheets may be attached if the space available against a particular item is not sufficient.

- E. Equivalent INR in respect of FC should be given as on the date of actual conversion.
- F. 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.
- G. In respect of any item [excepting items 1,3(a) and 4(a)] if the contents have not undergone any change vis-à-vis the last APR, then indicate "NO CHANGE" in the relative boxes/against the particular item.
- H. In item 9(b) if separate break up of overdue amount as principal and interest is not available then the total figure may only be indicated under "Total" column.

- I. In respect of all repatriations [c.f. Items 10 and 12(a)] supporting bank certificates (in form BCI) should be enclosed. If such certificates have already been submitting along with the Annual Return of Foreign Currency Shares or otherwise the reference thereof should be cited.
- J. The total of year-wise break-up of outstanding entitlements given under Item 12(b) should tally with total outstandings as indicated under Item 12(a).
- K. The note as per Item 15 of the APR should include the following -
 - (i) In case of non-satisfactory performance of the JV/WOS, the reasons cited at Item 14 should be briefly explained along with the necessary corrective steps taken/proposed to be taken to bring about a turnaround.
 - (ii) The reasons for outstanding entitlements, if any, and the steps being taken to realise the same should be indicated.
 - (iii) The reasons for not meeting the target of non-equity exports, if any, and non-realisation of proceeds of such exports beyond 6 months, if any, should be explained.
 - (iv) The reasons for the overdue outstandings in term/working capital loan accounts, if any, and steps taken to square up the same should be furnished. The circumstances leading to invocation of guarantees and non-payment of claim, if any, should also be explained.
 - (v) In respect of JV/WOS set up abroad for attracting foreign investment into India, information on the amount of foreign investment brought into India vis-a-vis the projections made in the application in Form ODI should be highlighted & reasons for shortfall should be explained.
 - (vi) Any special feature which is of importance to the functioning of the JV/WOS including information/developments relating to disinvestment (partial or full), liquidation, etc. and does not figure elsewhere in this APR should also be highlighted.