

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

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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)

- | | | | | | | | | |
|-----|--|--|--|--|--|--|--|---|
| (a) | (i) Manufacturing
(ii) Trading
(iii) Financial
(iv) Non Financial Services
(v) Others (Please specify) | <table border="1" style="border-collapse: collapse; width: 40px; height: 100px;"> <tr><td style="width: 40px; height: 20px;"></td></tr> <tr><td style="width: 40px; height: 20px;"></td></tr> <tr><td style="width: 40px; height: 20px;"></td></tr> <tr><td style="width: 40px; height: 20px;"></td></tr> <tr><td style="width: 40px; height: 20px;"></td></tr> </table> | | | | | | (b) Brief particulars of products to be manufactured/goods to be traded / services to be rendered

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| | | | | | | | | |

III. Proposed capital structure of the JV/WOS

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

**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	(Amount in FCY) investment		
				Equity	Loan	Guarantee
(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)	(9)	(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 (WC)			Guarantee	
	Amount of Equity	% age to total Equity	Amt.	Period.	Rate of Interest	Amount	Period
(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

	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>Total</u>
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.

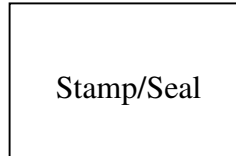
V. Any other information relevant to this proposal, including any special benefits/incentives available in the host country for setting up/acquiring the proposed concern:

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 should be submitted in two 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.
- (d) A report from the bankers of the Indian party in sealed/closed cover.
- (e) The latest Annual Accounts, i.e. Balance Sheet and Profit and Loss Account along with the Directors' Report of the Indian party and of the foreign collaborator in case of a joint venture.
- (f) 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 along with Directors' report of the foreign concern ; and
 - (iii) A copy of the share valuation certificate from
 - (i) where the investment is more than US \$ 5 (five) million, by a Category I Merchant Banker registered with SEBI or an Investment Banker/Merchant Banker registered with the appropriate regulatory authority in the host country; and
 - (ii) *in all other cases, by a Chartered Accountant or a Certified Public Accountant*
 - (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.