



**RESERVE BANK OF INDIA
Foreign Exchange Department
Central Office
Mumbai - 400 001**

RBI/2012-13/171

August 21, 2012

A. P. (DIR Series) Circular No. 15

To

All Category – I Authorised Dealer Banks

Dear Madam / Sir,

Overseas Direct Investments – Rationalisation of Form ODI

Attention of the Authorised Dealer (AD - Category I) banks is invited to the [Notification No. FEMA 120/RB-2004 dated July 7, 2004](#) [Foreign Exchange Management (Transfer or Issue of any Foreign Security) (Amendment) Regulations, 2004] (the Notification), as amended from time to time.

2. In terms of Regulation 15(iii) of the Notification *ibid*, an Indian Party is required to submit to the Reserve Bank through the Authorised Dealer every year within 60 days from the date of expiry of the statutory period as specified by the respective laws of the host country for finalization of the audited accounts of the Joint Venture (JV) /Wholly Owned Subsidiary (WOS) outside India or such further period as may be allowed by the Reserve Bank, an Annual Performance Report (APR) in Form ODI Part III in respect of each JV or WOS outside India set up or acquired by the Indian Party. Further, an Indian party is allowed to undertake overseas direct investments under the General Permission (Automatic Route) subject to compliance to the provisions under Regulation 6 (and Regulation 7, if applicable) of the Notification. Regulation 6(2)(iv) of the Notification requires that the Indian Party has submitted the APR in respect of all its overseas investments in the format given in Part III of the Form ODI.

3. In view of the above, it has been decided to add the following items in Section 'E' and 'F' of Form ODI Part I, to be submitted by every Indian party in terms of Regulation 6(2)(vi) of the Notification, while undertaking ODI transactions:
- (i) In Section 'E', after item (c), item "(d) Wherever applicable, the Annual Performance Report, as required in terms of Regulation 15(iii) of the Notification No. FEMA 120 / RB - 2004 dated July 07, 2004, as amended from time to time, in respect of all the existing JV / WOS of the Indian party has been submitted."
 - (ii) In Section 'F', after item (v), a clause "Further, certified that, wherever applicable, the Annual Performance Report, as required in terms of Regulation 15(iii) of the Notification *ibid*, in respect of all the existing JV / WOS of the Indian party has been submitted."
4. The revised Section 'E' and 'F' of Form ODI Part I are given in the Annex to the Circular.
5. Necessary amendments to the Foreign Exchange Management (Transfer or Issue of Any Foreign Security), Regulations, 2004 are being issued separately.
6. AD - Category I banks may bring the contents of this circular to the notice of their constituents and customers concerned.
7. The directions contained in this circular have been issued under Sections 10(4) and 11(1) of the Foreign Exchange Management Act (FEMA), 1999 (42 of 1999) and are without prejudice to permissions/approvals, if any, required under any other law.

Yours faithfully,

Dr.(Smt.) Sujatha Elizabeth Prasad
Chief General Manager-In-Charge

Encl: Annex

Annex to A.P. (DIR Series) Circular No. 15 dated August 21, 2012

Section E (Revised) : Declaration by the Indian Party

(a) Whether the applicant party (ies), its promoters, directors, etc., are under investigations by any investigative/enforcement agency or regulatory body. If yes, the brief details thereof, including present stage of investigation/ adjudication / manner of disposal of the case.

(b) Whether the promoter Indian party(ies) is(are) presently on Exporters' Caution List of Reserve Bank for non-realization of export proceeds or on the list of defaulters to the Banking System circulated by Reserve Bank. If so, status of the Indian party (ies):

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

(d) Wherever applicable, the Annual Performance Report, as required in terms of Regulation 15(iii) of the Notification No. FEMA 120 / RB - 2004 dated July 07, 2004, as amended from time to time, in respect of all the existing JV / WOS of the Indian party has been submitted.

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

Place: _____

(Signature of authorised official)

Date : _____

Stamp/Seal

Name:-----

Designation-----

List of enclosures:

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

Section F (Revised) : Certificate by the Statutory Auditors of the Indian Party

It is certified that the terms and conditions contained in Notification No. FEMA 120/RB-2004 dated July 7, 2004, as amended from time to time (Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004) have been complied with by the Indian party (Name of the Indian Party) in respect of the investment under report. In particular, it is certified that:

- (i) the investment is not in real estate oriented or banking business, and
- (ii) the amount of foreign exchange proposed to be purchased for remittance towards the investment together with remittances for all overseas investments already made and exports and other dues capitalized / swap of shares / investment from ECB / FCCB balances for investment abroad under the Automatic Route is within the limit stipulated by the Reserve Bank from time to time. This has been verified with reference to the net worth of the Indian party (Name of the Indian Party) as on the date of last audited balance sheet, i. e.-----
(date)
- (iii) has complied with the valuation norms prescribed for the investment
- (iv) has complied with the ECB guidelines #
- (v) that the Indian party (a) has made net profits during the preceding three years, (b) has fulfilled the prudential norms of capital adequacy as prescribed by the regulatory authority concerned; (c) has been registered with the appropriate regulatory authority in India and (d) has obtained approval for the investment in financial services sector activities from the regulatory authorities concerned in India and abroad*.

Further, certified that, wherever applicable, the Annual Performance Report, as required in terms of Regulation 15(iii) of the Notification *ibid*, in respect of all the existing JV / WOS of the Indian party has been submitted.

Note: *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 through ECB/FCCB balances.

(Signature of the Statutory Auditors of the Indian Party)

Name of the firm, Stamp and Registration number