

**Annexure II : Guidelines to Authorised Dealers for approval of proposals under
EEFC Fast Track Window
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Window**

[Paragraph 9A.5(v)]

1. On receipt of an application in form ODA, the authorised dealer concerned should ensure

that it is complete in all respects and all prescribed documents have been enclosed to the application. Before the proposal is approved, it should be ensured that the applicant has adequate balance in his EEFC account and that the Indian promoter company does not exceed the limit of U.S.\$ 15 mn. in a block of 3 years. Where the request is only for loan or guarantee, it should be considered only if the Indian company already has an equity stake in the overseas concern. After the proposal is approved, a formal approval letter specifically indicating amounts approved towards equity, loan and guarantee should be issued to the applicant and thereafter the remittance allowed from the EEFC account. The standard terms and condition, including the reporting requirements, to be complied with by the Indian promoter companies should be advised to the applicant by way of an annexure to the approval letter as per specimen given in Annexure III. Thereafter two copies each of the approval letter and the application in form ODA should be forwarded immediately to the Chief General Manager, Exchange Control department, Central Office, [Overseas Investment Division], Reserve Bank of India, 3rd floor, Amar Building, Mumbai 400 001. Approval for such investment has to be accorded by an officer not below the rank of Chief Manager or Officer in Scale IV. Where the remittance is effected to an existing JV/WOS abroad approved earlier by the Reserve Bank/ the Government of India under other routes, obligations stipulated by them, including repatriation of dividend and other entitlements within the specified time frame, will continue to be applicable.

NOTE: Authorised dealers may also approve proposals for overseas investment and allow remittances in a phased manner out of the EEFC account of the applicant even in cases where the balance available in the account is not sufficient to fully cover the proposed investment of equity and loan as projected in the project/feasibility report enclosed to the application in form ODA at the time of approval subject to their being satisfied that (a) in view of the foreign exchange earning track record of the account holder, there would be sufficient accretion to the EEFC account in future to fully cover the proposed investment within the projected time-frame for implementation of the project and (b) Indian promoter company's contribution towards the project cost made in a phased manner over a period would not affect the overall viability of the project.

2. On receipt of copies of the approval letter from the authorised dealer, an unique

Identification Number in respect of each JV/WOS being set up by the Indian promoter company, will be communicated by the Reserve Bank to the concerned authorised dealer and the applicant, which should be quoted in all future correspondence. In respect of existing JV/WOS Identification/ Approval Number already allotted by the Reserve Bank will remain unchanged. In cases where the approved equity/loan is to be contributed in instalments, subsequent remittances should be allowed by the authorised dealer concerned only after the receipt of the unique Identification Number for the JV/WOS from the Reserve Bank.

3. If the applicant companies/its group concerns/their promoters/directors have come under

investigation by the Enforcement Directorate/CBI/SEBI or other law-enforcing agencies for violation of any law as revealed in the application form, or if such information has otherwise come to the notice of the authorised dealers concerned, or if their names have been included in the 'Caution List' of Reserve Bank, such cases should be approved only after obtaining prior clearance from Reserve Bank for which reference may be made by the authorised dealers to the Chief General Manager, Exchange Control Department (Overseas Investment Division), Central Office, Reserve Bank of India, Amar Building, 3rd floor, Fort, Mumbai 400 001 giving the details of the case alongwith their recommendations.

4. Immediately after granting approvals/effecting remittances out of the EEFC account,

Immediately after granting approvals/effecting remittances out of the EEFC account, the authorised dealer should advise the concerned Regional Office of the Reserve Bank within two days the details of approvals granted and/or remittances made, in form ODA-1. The form ODA-1 should be submitted on each occasion when a fresh approval is granted or additional investment is approved in the existing JV/WOS as also when any remittance is effected under such approvals. Authorised dealers should record the details of approvals granted/remittances effected thereunder in a register and note therein company-wise particulars (viz., name of the Indian promoter company, amount and date of approval, amount and date of actual remittance, unique Identification/Approval Number given by the Reserve Bank, etc.)

5. Where the Indian promoter company desires to disinvest its stake in/wind up the overseas

concern after remittance has been made out of the EEFC account, such cases should be referred to the Chief General Manager, Exchange Control Department (Overseas Investment Division), Reserve Bank of India, Central Office, Mumbai 400 001 through the concerned authorised dealer for consideration. Cancellation of approvals, where no remittance has been effected, may be allowed by the concerned authorised dealer under intimation to the Central Office of the Exchange Control Department of the Reserve Bank within 7 days.