

**Indian Direct Investment in Joint Ventures (JV)/
Wholly Owned Subsidiaries (WOS) outside India
A.P. (DIR Series) Circular No.51 (June 24, 2002)**

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

A.P. (DIR Series) Circular No.51

June 24, 2002

To

All Authorised Dealers in Foreign Exchange

Madam/Sirs,

**Indian Direct Investment in Joint Ventures (JV)/
Wholly Owned Subsidiaries (WOS) outside India**

Attention of authorised dealers is invited to Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000 notified by the Reserve Bank vide Notification No.FEMA.19/RB-2000 dated May 3, 2000, as amended from time to time.

2 In terms of A.P. (DIR Series) Circular No.3 dated June 22, 2000 as amended by A.P. (DIR Series) Circular No.13 dated September 14, 2000, in case of investments made under the automatic route for overseas direct investment, authorised dealers are required to forward to the Reserve Bank, form ODA alongwith the prescribed documents and a report on remittance in form ODR. Remittances made under an approval of the Reserve Bank are only required to be reported in form ODR.

3. With a view to further streamlining the procedure for reporting overseas direct investments in JV/WOS, it has been decided to dispense with the requirement of forwarding of form ODA alongwith the prescribed documents to Reserve Bank for investments made under the automatic route by Indian parties.

4. The report on remittances required to be submitted by authorised dealers has also been revised. All remittances/guarantees issued/capitalisation of exports etc., irrespective of whether under the automatic route or under Reserve Bank approval, are henceforth required to be reported in the revised form ODR (format enclosed), to the Chief General Manager, Reserve Bank of India, Exchange Control Department, Overseas Investment Division, Amar Building, 3rd Floor, Mumbai-400 001. There will be no change in the procedures relating to the receipt/scrutiny of the form ODA submitted by the Indian

parties to the authorised dealer. Accordingly A.P. (DIR Series) Circular No.3, *ibid*, stands modified to that extent.

5. Necessary amendments to the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations 2000 are being notified separately.

6. Authorised Dealers may bring the contents of this circular to the notice of their constituents concerned.

7. The directions contained in this circular have been issued under Section 10(4) and Section 11(1) of the Foreign Exchange Management Act, 1999 (42 of 1999).

Yours faithfully,

Grace Koshie

Chief General Manager