



ECGC Limited

(Formerly known as Export Credit Guarantee Corporation of India Ltd.)

## **OVERSEAS INVESTMENT INSURANCE SCHEME**

No blanks should be left. Question not applicable should be so marked. Estimates should be marked "(Estimate)". If space is insufficient please attach a separate sheet for the answer.

### **A. PARTICULARS OF THE INVESTOR\***

1. NAME AND ADDRESS OF THE INVESTOR SEEKING INSURANCE
  2. NATURE OF THE BUSINESS WHICH THE INVESTOR CARRIES ON IN INDIA.
  3. IS THE INVESTOR A COMPANY ? YES/NO
  4. If answer is YES :
    - a. Date and place of incorporation
    - b. Is the investor a member of or associated with a group of Companies ? YES/NO
- IF YES
- i) with whom does ownership and effective control lie ?
  - ii) Attach (a) latest annual report and accounts of the investor Co. and also the foreign parent Co; if any.  
(b) give details of source of finance for the investment

IS THE INVESTOR A PARTNERSHIP ?

If answer is YES

- a) Date and place of registration
- b) Names and nationalities of Partners.

The Investor, for the purpose of this application is the Company or partnership proposing to enter into the insurance agreement with ECGC.

**B. DETAILS OF THE PROJECT<sup>(\*)</sup> AND OF THE OVERSEAS ENTERPRISE<sup>(b)</sup>**

5. FULL DESCRIPTION OF PROJECT OR BUSINESS ACTIVITY TO BE CARRIED OUT BY THE OVERSEAS ENTERPRISE WITH THE PROCEEDS OF THE INVESTMENT.
6. TOTAL COST OF THE PROJECT DESCRIBED AT 5 ABOVE; THE MAIN COMPONENTS OF THIS COST (EG. MACHINERY, WORKING CAPITAL) AND THE PRINCIPAL SOURCES OF FINANCE (EG. EQUITY, LOAN SUPPLIER CREDITS)
7. LOCATION OF THE PROJECT
8. NAME AND ADDRESS OF THE OVERSEAS ENTERPRISE
9. LEGAL FORM OF THE OVERSEAS ENTERPRISE (EG. COMPANY, PARTNERSHIP, BRANCH) ITS DATE AND PLACE OF INCORPORATION (REGISTRATION IF A PARTNERSHIP, ESTABLISHMENT IF BRANCH OF AN INDIAN COMPANY)
10. IS THE OVERSEAS ENTERPRISE ALREADY CARRYING ON AN EXISTING BUSINESS ? YES/NO
11. IS THE OVERSEAS ENTERPRISE BEING SET UP FOR THE PURPOSE OF OPERATING AN EXISTING BUSINESS ? YES/NO
12. IF THE ANSWER TO EITHER, 10 OR 11 IS YES :
  - a) What is the existing business or activity ?
  - b) Will the activity financed by the investment be new to the enterprise ? YES/NO
  - c) Will the investment finance the development of existing activities ? YES/NO  
IF YES :  
How substantial is this development in relation to the existing business ?
  - d) What is the investor's contribution in money and resources to the enterprise in connection with the project ? What are the contributions of the other principal parties, if any ?
  - e) Give the names of principal share-holders, the amount of their holdings, and state who will effectively control the enterprise after all the investment associated with the project has been made.

- \* a) The Project is the new activity or development which the investment will finance or help to finance. b) The overseas enterprise is the overseas company, branch or partnership in which the investment will be made and which will actually carry out and operate the project.

13. IF THE ANSWER TO BOTH 10 AND 11 ARE NO (i.e. if the Overseas Enterprise is being set up for the purpose of carrying out a new activity) :

a) What is the investor's total contribution in money and resources to the enterprise ?

What are the contribution of the other principal parties, if any ?

b) Who will effectively control the enterprise ?

14. IF THE INVESTOR WILL NOT HAVE CONTROL OF THE OVERSEAS ENTERPRISE WILL HE NEVER-THELESS PARTICIPATE IN ITS MANAGEMENT ? YES/NO

If YES give details

15. DOES THE INVESTOR HAVE OR EXPECT TO HAVE ANY OTHER COMMERCIAL LINKS WITH THE OVERSEAS ENTERPRISE ? YES/NO

If YES give details

16. IS THE INVESTOR MAKING ANY APPLICATION TO ECGC FOR COVER IN RELATION TO FOR SALE OF GOODS OR SERVICES REQUIRED IN CONNECTION WITH SETTING UP THE PROJECT YES/NO

If YES give details.

**C. DETAILS OF THE EQUITY INVESTMENT ON WHICH INSURANCE IS SOUGHT**

17. TOTAL AMOUNT OF THE EQUITY INVESTMENT ON WHICH INSURANCE IS SOUGHT

18. FORM(S) IN WHICH THE EQUITY CONTRIBUTION IS TO BE MADE (CASH, MACHINERY, EQUIPMENT, MATERIALS, OTHER)

i) IF CASH

a. What is the Rupee value of the contribution ?

ii) IF MACHINERY, EQUIPMENT, MATERIALS & SERVICES

a. What is the total value in Rs. of machinery etc. to be supplied and how is it to be financed.

b. State whether new or used

c. Describe the basis for valuation

d. Country from which the machinery etc. is being supplied.

iii) IF OTHER (eg. patents, processes, techniques, services etc.). Give details including their Rupee value and basis for valuation.



19. DETAILS OF THE SHARES TO BE ACQUIRED BY THE INVESTOR  
AS A RESULT OF THE EQUITY CONTRIBUTION :

A.

PAR VALUE & PURCHASE PRICE	PAR VALUE OF SHARES TO BE PURCHASED				PURCHASE PRICE OF SHARES		
	A NEWLY ISSUED	B FROM EXISTING SHARE- HOLDERS	C TOTAL (A+B)	D C AS PERCENT- AGE OF TOTAL SHARES ISSUED (NEW & OLD)	E NEWLY ISSUED	F FROM EXIST- ING SHARE HOLDERS	G TOTAL
	No.	Amt.	No.	Amt.	Rs.	Rs.	Rs.
B.	Is any premium being paid on the shares ? If so, Why ? Please give details.						
C.	Please give the schedule of payment for shares on application, allotment, calls etc.						
D.	What are the rights and obligations of each class of shares in which investment is to be made.						
20.	IF THE ENTERPRISE IS ALREADY IN EXIS- TENCE, WHAT WILL BE THE VALUE OF THE NET ASSETS (BASED ON BOOK VALUES) SUBJECT TO NORMAL DEPRECIATION OF THE OVERSEAS ENTERPRISE IMMEDIATELY AFTER THE ACQUISITION OF THE SHARES ?  WHAT IS THE INTRINSIC VALUE OF EACH SHARE ON THIS BASIS ?  AND, FOR EACH CLASS OF SHARE, WHAT WILL BE THE PROPORTION OF THE PROPOSED INVESTMENT, TO THE TOTAL PAID UP VALUE OF EACH CLASS OF SHARES ?						
21.	IF EXISTING SHARES ARE TO BE ACQUIRED WILL THEY BE PURCHASED FROM INDIAN OR NON-INDIAN INTEREST ?  GIVE DETAILS						
22.	ARE ANY OF THE SHARES TO BE ACQUIRED NOT FULLY PAID UP ?						YES/NO
	If YES give details.						
23.	HAS THE WHOLE OF THE INVESTMENT ALREADY BEEN MADE ? IF YES GIVE DETAILS.						YES/NO

24. MINIMUM DURATION FOR WHICH THE INVESTOR INTENDS TO KEEP THE EQUITY INVESTMENT

**D. OTHER FORMS OF INVESTMENT ON WHICH INSURANCE IS SOUGHT**

25. DETAILS OF THE LOAN INVESTMENT

(If more than one loan, give details of each.

A copy of the loan agreement should be provided as soon as available)

- Principal amount expressed in the currency in which it is to be repaid
- Source of funds for the proposed loan investment
- Rupee equivalent of Loan (a) if the currency of repayment is other than Rupee.
- Estimated programme for disbursement (if already disbursed give actual dates)
- Rate of interest payable
- Schedule for and place of repayment of principal and payment of interest
- Circumstances under which repayment may be accelerated.
- If the loan is to be guaranteed by a third party give details.

26. AMOUNT OF INSURANCE REQUESTED - RUPEE VALUE

TYPE OF INVESTMENT	CURRENT INSURED AMOUNT FOR FIRST YEAR	DURATION OF INSURANCE SOUGHT NOT EXCEEDING 15 YEARS
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EQUITY INVESTMENT

LOAN INVESTMENT

INDIAN CONSIDERATION

27. HAS INDIAN EXCHANGE CONTROL PERMISSION BEEN GIVEN IN RESPECT OF THE INVESTMENT ?

YES/NO

If, YES, enclose copy of approval communication.  
Are there any special conditions ?

28. HAS THE OVERSEAS INVESTMENT BEEN APPROVED BY THE GOVT. OF INDIA ?  
PLEASE ENCLOSE COPY OF APPROVAL/COMMUNICATION.

29. WILL THE SETTING UP OF THE PROJECT RESULT IN SIGNIFICANT EXPENDITURE IN INDIA ?

If YES give details

30. WILL THE PROJECT, ONCE IT HAS BEEN SET UP, GENERATE EXPORTS OF GOODS OR SERVICES FROM INDIA ?

YES/NO

If YES give details

31. ARE THERE ANY OTHER BENEFITS (EXCLUDING EARNINGS FROM THE INVESTMENT) LIKELY TO ACCRUE TO INDIA ?

32. WILL THE PROJECT LEAD TO THE LOSS OF EXPORT OR OTHER EARNINGS AT PRESENT ACCRUING TO INDIA ?

**E. HOST COUNTRY CONSIDERATIONS**

33. WHAT APPROVALS OF THE HOST GOVERNMENT HAVE TO BE OBTAINED IN CONNECTION WITH MAKING THE INVESTMENT OR SETTING UP THE PROJECT ?

HAVE THEY BEEN OBTAINED ?

Please enclose a copy of the approval/communication in this regard.

34. WHAT CONDITIONS HAS THE HOST GOVERNMENT LAID DOWN IN CONNECTION WITH THE PROJECT OR THE RUNNING OF THE ENTERPRISE ?

HAVE THEY BEEN SATISFIED ?

35. WILL THE INVESTMENT BE THE SUBJECT OF AN AGREEMENT BETWEEN THE INVESTOR AND THE HOST GOVERNMENT ?

YES/NO

If YES, please supply a copy of the agreement. If not immediately available give proposed terms, including any provision for arbitration in the event of dispute.

36. WILL THERE BE ANY RESTRICTIONS ON THE FREEDOM OF THE OVERSEAS ENTERPRISE OR THE INVESTOR TO REMIT EARNINGS FROM THE HOST COUNTRY OR REPATRIATE THE INVESTMENT ?

YES/NO

If YES give details

37. HAS THE INVESTOR ANY REASON TO EXPECT TRANSFER DELAYS IN RELATION TO THE INVESTMENT ?

YES/NO

If YES give details



38. HAS THE HOST GOVERNMENT (OR OTHER AGENCY LIKE THE CENTRAL BANK OF THE COUNTRY) GIVEN OR OFFERED ANY GUARANTEE REGARDING THE AVAILABILITY OF FOREIGN EXCHANGE IN RESPECT OF SUCH TRANSFERS ? YES/NO

If YES give details.

39. HAS THE HOST GOVERNMENT GIVEN OR OFFERED SPECIFICALLY IN RELATION TO i) THE PROJECT, ii) THE INDUSTRY OF THE PROJECT

- a. Any reliefs from taxation
- b. Any protection from competing imports by way of tariffs or quota restrictions etc.
- c. Any other assistance or incentive

If YES give details

40. IS THERE ANY ADDITIONAL EVIDENCE TO DEMONSTRATE THE ACCEPTABILITY OF THE PROJECT OF THE HOST GOVERNMENT ?

41. TO WHAT EXTENT DOES THE PROFITABILITY OF THE OVERSEAS ENTERPRISE DEPEND ON SPECIAL CONCESSIONS AS STATED IN ANSWER TO Q. 39 ?

42. WHAT RETURN ON THE EQUITY INVESTMENT IS EXPECTED AND WHAT WILL BE THE POLICY IN RELATION TO THE RETENTION OF EARNINGS IN THE ENTERPRISE ?

43. WILL THE INVESTOR BE OBTAINING A RETURN FROM THE INVESTMENT OTHER THAN IN THE FORM OF DIVIDENDS OR INTEREST (EG. MANAGEMENT FEES, ROYALTIES) ? YES/NO

44. IS THE PROJECT EXPECTED TO MAKE ANY SPECIAL CONTRIBUTION TO THE ECONOMY OF THE HOST COUNTRY (EG. EFFECT ON EXPORTS / IMPORTS, TECHNOLOGICAL DEVELOPMENT).

45. WHAT IS LIKELY TO BE THE TOTAL NUMBER OF PEOPLE EMPLOYED AS A RESULT OF THE PROJECT ? HOW MANY OF THESE WILL BE AT MANAGERIAL LEVEL AND OF THESE HOW MANY WILL BE EXPATRIATE INDIANS ?

46. WHAT SHARE OF THE LOCAL MARKET DOES THE OVERSEAS ENTERPRISE EXPECT TO OBTAIN FOR ITS MAJOR PRODUCTS AS A RESULT OF THE PROJECT ? HOW WILL THE PRICES OF THESE PRODUCTS COMPARE WITH PRESENT PRICES FOR SIMILAR PRODUCTS ?

47. DOES THE INVESTOR OR ANY ASSOCIATE COMPANY  
ACTIVELY PARTICIPATE IN ANY OTHER ENTERPRISES  
IN THE HOST COUNTRY

YES/NO

If YES give details

48. HAS THERE EVER BEEN OR IS THERE NOW, ANY  
DISPUTE BETWEEN THE INVESTOR OR ANY ASSO-  
CIATE COMPANY, AND THE HOST GOVERNMENT.

49. ARE THERE ANY PLANS TO INCREASE LOCAL  
PARTICIPATION IN THE OWNERSHIP OF THE  
OVERSEAS ENTERPRISE ?

50. DOES THE INVESTOR KNOW OF ANY FACTORS  
OR CONSIDERATIONS NOT REFERRED TO ELSE-  
WHERE IN THE APPLICATION WHICH MIGHT AFFECT  
(FAVOURABLY OR UNFAVOURABLY) THE RISKS  
OF THE INVESTMENT ?

1. We hereby apply for investment insurance in respect of the investment described above.
2. We enclose herein a cheque for Rs. \_\_\_\_\_, being the fee for consideration of this application.
3. We undertake to keep the information provided in this application up to date by notifying ECGC promptly of any changes, by replacing estimates with firm information when available and by supplying information asked for but not available at the time of application.
4. We are not aware of any circumstances relating to the investment, other than those disclosed, which bear adversely on the acceptability of the investment for insurance.
5. We accept that the insurance cover given will be on the basis that the information furnished above is true and correct.

Signed on behalf  
of the Applicant \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Capacity of Signatory \_\_\_\_\_  
(See notes below)

Date : \_\_\_\_\_

Notes :

1. In the case of incorporated companies this application should be signed by an authorised officer for and on behalf of the company and should state the capacity in which the signatory acts (eg. Managing Director Secretary, etc.)
2. In the case of partnership this application should be signed by a duly authorised partner in the firm.