

ECB 1
[Paragraph 7B.2]

Application for permission under Foreign Exchange Regulation Act, 1973 to raise foreign currency loan/credit or to import goods on deferred payment terms/Financial Lease (other than short-term loan/credit)

Instructions:

1. *The application should be completed in duplicate and submitted through an authorised dealer to the Office of Reserve Bank within whose jurisdiction the application company has its Registered Office.*
2. *Do not leave any column blank. Furnish complete particular against each item. Where any particular items not applicable write "N.A." against it. Firms/Companies obtaining sub-loans through IFCI/ICICI/IDBI should not complete this form but approach the concerned financial institution direct.*
3. *Before forwarding the application to Reserve Bank, the authorised dealer must properly scrutinise all the related original documents and ensure that the application is complete in all respects and strictly in order as per rules.*
4. *Application for permission to issue bank guarantee or letter of credit in favour of foreign banks should be submitted to Reserve Bank simultaneously with the proposal for foreign currency loan/credit together with a copy of the draft guarantee and other relevant document*
5. *If space is not sufficient for giving full information/particulars against any item, a separate sheet may be attached to the application and serially number as annexure.*

Documentation:

5. Please submit certified copies of the following documents, as applicable:

- (i) **Copy of contract/agreement for the proposed foreign currency loan/credit/financial lease.**
 - (ii) **Government's letter approving the terms of the loan/credit.**
- Or**
- (iii) **Letters from banks/institutions in India giving terms and conditions subject to which they have agreed to grant rupee loans for financing the part cost of the project.**
 - (iv) **A certificate from the applicant company to the effect that the draft agreement has been carefully examined by them and their solicitors and that no additional foreign exchange liability either express or implied arises in proper performance of the agreement besides those approved by the Government of India/Reserve Bank.**
 - (v) **Exchange Control copy of import licence or original letter of intent with a certified copy issued by Government of India indicating that they have approved, in principle grant of the necessary import licence (where necessary).**
 - (vi) **Schedule of draw down [of loan/credit (expected dates), currency, amount etc.**

4. (A) Purpose of the loan-	
(i) Description and value of goods to be imported	
(ii) Description and value of goods to be acquired from domestic market	
(iii) Investments in real estate/ fixed assets	
(a) Expansion of existing activity	(a)
(b) Export Oriented Units	(b)
(c) Modernisation	(c)
(d) Import of raw materials	(d)
(e) Import of capital goods	(e)
(f) Import of ships, aircraft, containers	(f)
(g) New projects (other than EOUs)	(g)
(h) Onward lending/sub-lending in case of is	(h)
(i) Rupee expenditure (local sourcing of capital goods)	(i)
(j) Others (Please specify)	(j)
(B) If the loan/credit has been negotiated for expansion/diversification/modernisation of any industrial activity, please state -	
(a) Cost of the project (Amount)	(a)
(i) Import of capital goods	(i)
(ii) Import of technical know-how	(ii)
(iii) Others	(iii)
(b) How financed? (Amount)	(b)
(i) Out of foreign currency loan	(i)
(ii) Remittances in free foreign exchange	(ii)
(iii) Others (Please specify details)	(iii)
(C) If the import is on financial lease basis – (specify all the lease charges payable item –by item)	

5. (i) Details of Import Licence:(where necessary)	
(a) Full number with prefixes and suffixes	(a)
(b) Date of issue	(b)
(c) Period of validity	(c)
(d) CIF value	(d)
(i) Currency	(i)
(ii) Amount	(ii)
(e) If the import licence has been issued against a credit/loan obtained by the Government of India, state full particulars as given in the Import Licence	(e)
(ii) Importer's Code Number	(ii)
(iii) Details of import	(iii)
(a) Description of goods to be imported	(a)
(b) Country of origin of goods	(b)
(c) Port and country of shipment	(c)
(d) Value (specify whether f.o.b.,c.& f. or c.i.f)	(d)
(e) Country to which the remittance is to be made	(e)
(iv) Terms of Payment	(iv)
(a) Advance payment (%)	(a)
(b) Payments against shipping documents(%)	(b)
(c) Total amount to be paid in instalments	(c)
(i) Principal repayment	(i)
(ii) Interest payment	(ii)

6. (i) Particulars of the proposed loan/credit											
(a) Currency and amount	(a)										
(b) Rate of interest	(b)										
(i) Fixed	(i) _____ %										
(ii) Floating	(ii)										
(a) Base Rate	(a) _____										
(b) Margin	(b) _____ %p.a.										
(c) Penal interest for late payment	(c)										
(d) Commitment fees	(d)										
(e) Other charges		<table border="1"> <thead> <tr> <th>Name of the charges</th> <th>%p.a.</th> <th>Currency</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>		Name of the charges	%p.a.	Currency	Amount				
Name of the charges	%p.a.	Currency	Amount								
(ii) Schedule of draw down (of loan/credit/financial lease)	(ii) Expected date(s) of drawal	Currency	Amount								
	_____	_____	_____								
	(a)										
	(b)										
	(c)										
(iii) Schedule of principal repayments and interest payment	(iii)										
(a) Periodicity of instalments	(a)										
(b) No. of instalments	(b)										
(c) Number of payments in a year	(c)										
(d) Date of commencement of first instalment (YYY/MM/DD)	(d)										
(e) Date of payment of last instalment	(e)										
(f) Amount of each instalment.	(f)										

	Serial number of instalment (1)	Currency and amount of Principal (2)	Currency and Amount of interest payment (3)
Total	_____	_____	_____
	_____	_____	_____
(g) First date of interest payment (YYYY/MM/DD)			
(h) Number of payments in a year			
7. Type of loan/credit offered i.e. Supplier's Credit (Deferred Payment Imports), Buyers' Credit, Line of Credit, etc			
8. Type of security offered for the loan/credit			

