

6 Lessons from Geese

BSE SME 4
BSE - SME Exchange



Budget 2012...
Countdown begins...



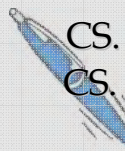


**E Newsletter from
The Mysore Chapter of the
Institute of Company Secretaries
of India**

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Message from Chairperson



Dear Members and
Students of CS fraternity,

Hearty congratulations to all the students who have passed the December 2011 examinations with flying colours. And for those who could not get through, please don't get disheartened, analyse as to what went wrong, try to give in your best and success will be yours in the next examination.

The chapter celebrated its 32nd anniversary on 8th March and it was a great feeling to look back at the footprints left on the sand of time and look forward towards the path leading towards new heights. I thank all those who were with us and were part of our joy on the special occasion.

I hope the coming years would also be as eventful as the earlier years and the new members coming in would continue to lead the chapter further in the path of success.

Yours in CS fraternity,
CS. Srilatha T G

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Activity Report

SEMINAR ON E-COMMERCE:



A Seminar on E-Commerce was organized in the Post Graduate Department of Government I Grade College, Hassan. During the seminar, practical demonstration on carrying out various transactions in E-Commerce like buying a railway ticket, Banking Transactions, Online payments, buying a share, online purchase of various commodities etc., was made.

The Resource person, CS. Anshuman A S explained about the risks involves in e commerce and the methods to use the same by ensuring customer safety.

During the occasion, the commerce Forum was also inaugurated.

INTER INSTITUTIONAL PROGRAM AT INSTITUTE OF VALUERS:

On 28th February 2012, an Inter Institutional Program was held at the Institute of Valuers, JLB Road, Mysore.

The members of the Institute were addressed by CS. Anshuman A S on 'Investments– Risks and Returns'. Various queries raised on the topic were addressed.

The Program was co ordinate by Mr. Gopal G, Member of the Institute of Valuers.

INVESTOR AWARENESS PROGRAMS:

The Chapter conducted 56 investor Awareness Programs both directly as well as through resource persons in various places in Mandya, chamarajnar, Kollegal, Mysore, Hassan, H D Kote, K R Pet, Bilikere, Harave,

Sargur, Koppa, Pandavapura, Bramhavara, Kundapura, Bannur, Gundlepet, Tavarekere etc.. Over 3500 people were reached and awareness was created regarding investment options, primary and secondary markets, grievance handling, do's and don'ts for the investors etc..



CS. Anshuman A S, CMA. Trinesh, Mr. Niranjana Babu Reddy, Mr. Ramesh H K, Mr. Somanna, Mr. Narayan K B, Mr. Manju S, Mr. Ajith Kumar K S, Mr. Rajendra and Mr. Venkatesh Gowda K P were the resource persons.

CAREER GUIDANCE PROGRAM



The Chapter had arranged 3 Career Awareness Programs on 22nd, 24th and 29th of February 2012 in Mysore, Mandya and Hassan.

During these programs, the students were addressed by CS. Anshuman A S and they were given an insight to the Company Secretaries Course and the Career Prospects for CS.

Pamphlets about the Course were distributed to the participants. Around 520 students were benefitted by this program.



BSE SME EXCHANGE:

AN INITIATIVE TO STRENGTHEN SMES



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SME Exchange	Main Board
<ul style="list-style-type: none"> • The issue has to be 100% underwritten. • There is a NIL chance of IPO failure as the issue is 100% underwritten. • SMEs with paid up capital up to Rs.10 crore only are eligible. • Simplified Listing Norms • SEBI approval is not required • Simplified Compliance norms. • Abridged version of annual report and simple regulations in relation thereto • Half Yearly compliances & disclosures required. • Compulsory responsibility of market making for 3 years on the merchant bankers. 	<ul style="list-style-type: none"> • There is no such compulsion, can be up to 100%. • There is chance IPO might not succeed if subscription requirements are not met. • Companies with a paid up capital of Rs.10 crore or more are eligible. • Complex Listing Norms • SEBI approval required • Relatively complex compliance norms. • Specific & complex annual report with strict regulations governing the company thereto. • Quarterly compliances & disclosures required. • No compulsion of market making.

Micro, Small and Medium Enterprises (MSMEs) contributes to the 8% of India's GDP, 45% of the manufactured output and 40% of exports. MSME provides employment to about 60 million people through 26 million enterprises. The Micro Small and Medium Enterprise (MSME) sector forms the largest generator of employment in the Indian economy. The MSME sector forms a major portion of the industrial activity in our nation.

The Prime Minister's Task Force had recommended to set-up a dedicated Stock Exchange / Platform for SME sector in January 2010. SEBI has also laid down the regulation for the governance of SME Exchange / Platform. Bombay Stock Exchange (BSE) realised the importance of setting-up an Exchange for Small and Medium Enterprises and necessary changes and amendments were made in the rules, bye-laws and regulations of the cash market for making a provision for SME exchange.

In India, "SME exchange" is defined in Chapter XA of the Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) Regulations] as a trading platform of a recognised stock exchange or a dedicated exchange permitted by SEBI to list the securities issued in accordance with Chapter XA of SEBI (ICDR) Regulations and this excludes the Main Board (which is in turn is defined as a recognized stock exchange having nationwide trading terminals, other than SME exchange) BSE - SME Platform provides a great opportunity to the entrepreneurs to raise the equity capital for the growth and expansion of SMEs. It also provides the immense opportunity to the investors to identify and invest in the

good companies at early stage. It will help unleash the valuation of the company and in the process create wealth for all the stakeholders. It shall enable considerable long term capital gains tax benefits and facility to exit at any point of time.

Vital Points

- SME companies with post issue paid up capital up to 25 crore can list on the BSE - SME Exchange.
- The minimum application amount as well as minimum trading lot shall not be less than Rs.1,00,000/-
- 100% underwritten issues and Merchant Banker/s shall underwrite 15% in their own account
- The Merchant Banker to the issue will undertake market making for a minimum period of 3 years through a stock broker who is registered as market maker with SME Exchange.
- SEBI Approval is NOT required.

Benefits of Listing at BSE - SME Platform

1. Access to capital and future financing opportunities

Going public would provide the MSME's with equity financing opportunities to grow their business - from expansion of operations to acquisitions. Companies in the growth phase tend to get over-leveraged. Therefore the option of equity financing through the equity market allows the firm to not only raise long-term capital but also get further credit due through an additional equity infusion which not only expands the investor base, but also

helps in setting up the stage for secondary equity financings, including private placements. There is also considerable increase in transparency due to stock exchange norms and disclosures which in turns lowers the on-going information and monitoring costs for the banks. The equity financing lowers the debt burden leading to lower financing costs and healthier balance sheets for the firms.

2. Increased visibility and prestige

Going public is likely to enhance the company's visibility. Greater public awareness gained through media coverage, publicly filed documents and coverage of stock by sector investment analysts can provide the SME with greater profile and credibility. This can result in a more diversified group of investors, which may increase the demand for that company's shares leading to an increase in the company's value.

3. Venture Capital (VC) Funding

It has been seen that there is greater vitality of venture capital in stock market centered systems. The underdeveloped equity culture has made it difficult for companies to both get into the VC phase as well as graduate from venture capital/startups phase to a scale of operations that would make them internationally competitive. A vibrant equity market would provide prove to be an added incentive for greater venture capital participation by providing an exit option thus reducing their lock-in period

4. Liquidity for shareholders

Becoming a public company establishes a market for the company's shares, providing its investors with an efficient and regulated vehicle in which to trade their own shares. Greater liquidity in the public market can lead to better valuation for shares than would be seen through private transactions.

5. Create employee incentive mechanisms

The employees of the SME enterprises can participate in the ownership of their own company and benefit from being a shareholder. Share options in a public company have an immediate and tangible value to employees, especially as a recruitment incentive and ensure a stronger employee commitment to the company's performance and success.

6. Facilitate growth through Mergers and Acquisitions

As a public company, company's shares can be utilized as an acquisition currency to acquire target companies, instead of a direct cash offering. Using shares for an

acquisition can be a tax efficient and cost effective vehicle to finance such a transaction.

7. Encourages Innovation & Entrepreneurial Spirit

The ability of companies in their early stages of development to raise funds in the capital markets allows these companies to grow very quickly. This growth helps speed up the dissemination of new technologies throughout the economy.

8. Efficient Risk Distribution

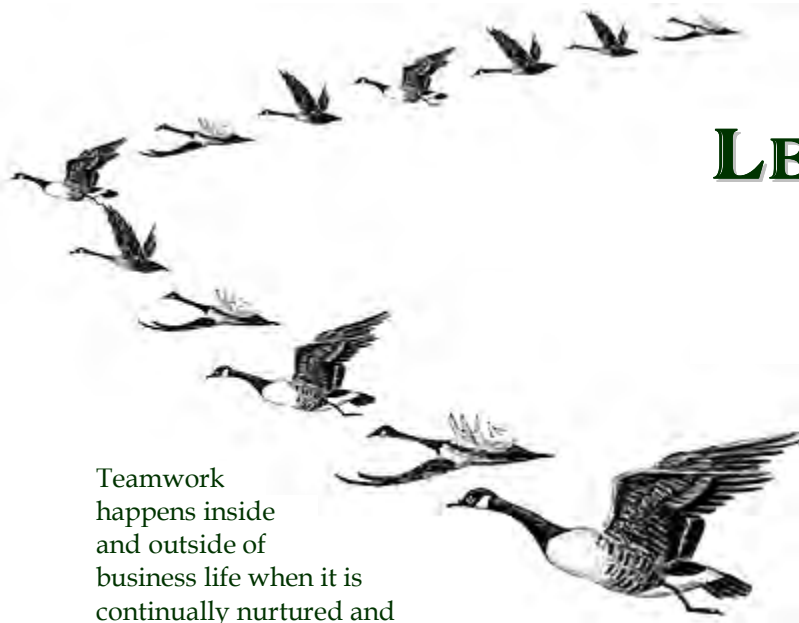
The development of the capital markets has helped distribute risk more efficiently by transfer of risk to those best able to bear it. This ability to transfer risk facilitates greater risk-taking, but this increased risk-taking does not destabilize the economy. Thus the capital markets ensure that capital flows to its best uses and that riskier activity with higher payoffs are funded. The SME will have support and thus will grow better on two pillars of financial system i.e. Banking and Capital Market.

Getting Listed on the Exchange for SMEs' will lead to mobilization of the diversified resources of finance and build a bridge between the SME, Private Equity and the Venture Capital by providing an exit route.

Outlook: A large number of merchant bankers are optimistic about the SME Exchange/ Platform. Some of the medium sizes firms are keen and have already started working. The market makers will get the fees out of the issue expenses, like the merchant bankers. The members who have the experience of market making in the past are positive on the scope of market making in this segment. Investors' outlook is not yet clear. But the investors with medium to long term perspective are optimistic on wealth creation opportunity in this segment. Regarding the SMEs, the response has been extra ordinarily exciting. The SMEs are enthusiastic about the opportunity to raise the equity capital on BSE - SME.

A Mumbai based non-banking finance company called BCB Finance Limited has already tapped the market to raise around 8.9 Crores to meet its expansion plans in February 2012 and its public issue was fully subscribed. Quite a few other companies are doing necessary compliances and may hit the capital markets in the first quarter of next financial year.

The professionals like Company Secretaries and Chartered Accountants have an important role to play in educating the promoters of the SMEs and guiding them to raise equity capital on BSE - SME Platform. The member brokers and the sub brokers having branches and franchises spread across the country can play a very important role in mobilizing the funds for growth of SMEs with their market knowledge and experience.



LESSONS FROM GEESE

Teamwork happens inside and outside of business life when it is continually nurtured and encouraged.

Lesson 1 - The Importance of Achieving Goals

As each goose flaps its wings it creates UPLIFT for the birds that follow. By flying in a 'V' formation the whole flock adds 71 percent extra to the flying range.

When we have a sense of community and focus, we create trust and can help each other to achieve our goals.

Lesson 2 - The Importance of Team Work

When a goose falls out of formation it suddenly feels the drag and resistance of flying alone. It quickly moves back to take advantage of the lifting power of the birds in front.

If we had as much sense as geese we would stay in formation with those headed where we want to go. We are willing to accept their help and give our help to others.

Lesson 3 - The Importance of Sharing

When a goose tires of flying up front it drops back into formation and another goose flies to the point position.

It pays to take turns doing the hard tasks. We should respect and protect each other's unique arrangement of skills, capabilities, talents and resources.

Lesson 4 - The Importance of Empathy and Understanding

When a goose gets sick, two geese drop out of formation and follow it down to the ground to help and protect it.

If we have as much sense as geese we will stand by each other in difficult times, as well as when we are strong.

Lesson 5 - The Importance of Encouragement

Geese flying in formation 'HONK' to encourage those up front to keep up with their speed.

We need to make sure our honking is encouraging. In groups and teams where there is encouragement, production is much greater. 'Individual empowerment results from quality honking'

Words worth Millions

**A Lot Of Trouble In The World Will Disappear,
If Everyone Learns To Talk To Each Other
Instead Of ...Talking About Each Other**



Swami Vivekananda



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Further, the articles are mainly categorized into following:

Sociology
Environment
Report Writing
Articles
Career
Letters
Summary
Disease

Food
Health
Business
Psychology
Disaster
Education
Sample Essays
Stories

Geography
Political Science
Paragraphs
History
Essay
Notes
Question Papers

This site is updated daily and for those who is eager to know the economic, social and technological developments will find this site as a treasure of knowledge. Start preserving your articles and make contribution to the nation.

IT FOR CORPORATE PROFESSIONALS

Gain Fitness with
gainfitness.com



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Maintaining good health is of prime importance for today's professional as productivity is dependent on health. Quite often we try to indulge in an exercise program but we lose focus as priorities keep changing over a period.

gainfitersss.com is a nice online application which helps us gain fitness and maintain a proper schedule and track the progress.

They allow you to build your own exercise pattern based on your preference and time you would like to spend every day. You can choose between different exercises and mix and match the same. It will also provide information such as the calorie burnt etc. along with video on how to perform each exercise. You can play the video on the PC or phone which will indicate when to start and when to end with beep indicators.

It's time to invest some time for your health...



Compilation:
CS. Ajaḡ Madaiah, Mysore

NON-CONVERTIBLE DEBENTURES

Investors always look for good investment opportunities and Companies to raise funds. NCD is one such avenue available these days as many of the companies coming up with NCD issues. When equity markets are not doing well, NCDs have become more important from the investment and source of fund. With new guidelines from the Securities and Exchange Board of India (SEBI) and the Reserve Bank of India (RBI), foreign institutional investors' exposure limit to corporate bonds has increased from \$20 billion to \$40 billion. This is helping firms to raise funds through NCDs.

By issuing NCD, a fixed-income debt paper, a company agrees to pay a fixed interest on the investment. As the name suggests, these debentures cannot be converted into shares of the issuing company. NCD can be both secured as well as unsecured. For secured debentures, which are backed by assets, in case the issuer is not able to fulfill its obligation, the assets are liquidated to repay the investors holding the debentures. Secured NCDs offer lower interest rates compared with unsecured ones. Investor can also chose the basis of return on a monthly, quarterly or annual basis. If one wants to grow wealth, he can opt for

cumulative option where the interest earned is reinvested and paid at maturity.

Companies seeking to raise money through NCDs have to get their issue rated by Credit Rating Agencies. NCDs with higher ratings are safer as this means the issuer has the ability to service its debt on time and carries lower default risk. An investment offering higher returns invariably comes with additional risk. The biggest risk with NCDs is the possible capital loss in case of increase in interest rates. Apart from the risk of lower return or loss of capital, there is the risk of default by the company even though the chances are low as most of the firms are under supervision of the RBI and SEBI.

NCDs can also be listed on exchanges. This allows investors to liquidate the securities even before maturity. However, there is no active market for NCDs on the wholesale debt market segment of the stock exchanges and their liquidity is low. NCDs provide the opportunity to earn 2-3 percentage point higher return than other fixed-income instruments such as bank fixed deposits.

Pick of the Month

During winding-up - will a company cease to be legal entity?

Winding up of the company is process in which an administrator, called the liquidator, is appointed who takes control of the company, collects its debts and finally distributes any surplus amongst its members. In the process of winding up, the affairs of the company are taken out of the hands of its directors and transferred to liquidators.

In winding up, the company does not cease to exist as such except when it is dissolved. Even after commencement of winding up, the property and assets belong to the company until it is dissolved. Only then the company ceases to be a legal entity incapable of holding property, suing or being sued. In between winding up and dissolution, the legal status of the company continues and it does not cease to be a legal entity.

Did you Know?

Credit Information Bureau (India) Ltd (CIBIL)

CIBIL is the repository of information which has been pooled in by all Banks and lending Institutions operating in India. Presently it has a database size of over 170 million consumer records and 6.5 million company records contributed by our over 500 Members.

CIBIL's aim is to fulfill the need of credit granting institutions for comprehensive credit information by collecting, collating and disseminating credit information pertaining to both commercial and consumer borrowers, to a closed user group of Members. Banks, Financial Institutions, Non Banking Financial Companies, Housing Finance Companies and Credit Card Companies use CIBIL's services.

The establishment of CIBIL is an effort made by the Government of India and the Reserve Bank of India to improve the functionality and stability of the Indian financial system by containing Non Performing Assets (NPAs) while improving credit grantors' portfolio quality. CIBIL provides a vital service, which allows its Members to make informed, objective and faster credit decisions. For more, you may visit: www.cibil.com



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Income Tax:

Guidelines for exempting persons from filing returns under Section 139 (A.Y 2012-13):

The Central Government has exempted an ‘individual’ from filing the income tax return for the financial year 2011-12, whose total income does not exceed 5,00,000/- from Salaries and/or Interest from Savings Account in a bank. The benefit of not filing the income-tax return shall be available only if the individual:

- ⊕ reports to his employer his PAN
- ⊕ receives certificate of TDS (Form 16) from his employer
- ⊕ reports to his employer the income from interest earned as mentioned above and the employer has deducted taxes as applicable
- ⊕ discharges his total tax liability for the assessment year through tax deduction at source and the same duly deposited by employer to the central government
- ⊕ does not have any claim of refund of taxes due to him for the income of assessment year
- ⊕ receives salary from only one employer for the assessment year

Notification No.9/2012 dated February 17, 2012

Section 163 does not require that in order to treat a person as agent of a non-resident, liability to tax of non-resident should be established.

[2012] 19 taxmann.com 37 (MUM. - ITAT)

When a filter is imposed by TPO himself, no deviation can be made to that filter and comparable companies

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not meeting criteria of filters adopted by TPO should be excluded from list of Comparable Companies.

[2012] 19 taxmann.com 23 (DELHI - ITAT)

Where non-resident agents rendered services abroad i.e. solicited export orders, right to receive commission arises in India when order is executed by applicant in India.

[2012] 18 taxmann.com 325 (AAR)

Payment made by assessee in USA to US company for rendering services to its permanent establishment in USA, is not liable to tax in India.

[2012] 18 taxmann.com 310 (KAR.)

FTP:

DFIA: applicability of provisions contained in paragraph 4.32.2 of HBP v1 regarding declaration of technical

Budget 2012

New concepts in Direct Tax & many more?

Government of India had introduced the Direct Tax Code (DTC) 2010 which was supposed to be effective from 1st of April 2012. The DTC had introduced provisions relating to General Anti-Avoidance Rule (GAAR), Controlled Foreign Corporations (CFC), Advance Pricing Agreements (APAs) and Branch Profits Tax (BPT).

With the DTC not to be effective from 01-04-2012, it is expected that some of the provisions might be introduced effective April 2012, as part of the Union Budget 2012-13 which will be presented on 16 March 2012.

Let us wait and watch at sharp 11.00 AM tomorrow – 16th March 2012.

We are happy to have your feedback on *BUDGET 2012!*

characteristics, quality and specifications at the time of exports.

Regarding DIFA, following shall be complied by RAs for cases covered under paragraph 4.32.2 of HBP v1:-

(i) At the time of issuance of DFIA: Ensure that the exporter has given the details with regard to technical characteristics, quality and specifications in the application for DFIA (as at Sl. No. 15 of ANF A-H). RA should specify the details of technical characteristics, quality and specifications of such items in the DFIA.

(ii) At the time of EODC/Redemption /Transferability: RAs must check that the same details are given in the shipping bills, and if the details are not given, the item(s) in question should be deleted from the duty free import list under DFIA. If, however, different technical characteristics quality or specifications are given in the shipping bill as compared to the endorsement on DFIA, then in such cases, the DFIA will be amended accordingly, only when the item(s) has (have) not yet been imported. In cases where imports have already been made, (with different technical characteristics, details and specifications) then the DFIA holder has to regularise the case for import of such items (which differ in their technical characteristics, details, specifications etc. from what was endorsed on the DFIA) by paying duty with interest etc., as the case may be.

Policy Circular No. 57 /2009-14 (RE 2011) dt. 06-03-2012

Import of spares for domestically procured machinery is not allowed under EPCG scheme:

EPCG scheme provides that Capital Goods can be procured indigenously upon invalidating an EPCG Authorization. However, EPCG Scheme provides for import of spares only in case where the imported Capital Goods were earlier under EPCG or other imports not under the EPCG Scheme. Domestically procured Capital Goods under the EPCG scheme cannot be treated as 'imported Capital Goods'. Consequently, spares cannot be allowed for domestically procured Capital Goods under the EPCG Scheme.

Policy Circular No. 54 (RE-2010)/2009-14, Dated February 23, 2012

Central Excise

When there is a change in the ownership of a Unit already availing exemption, as the exemption is extended to a 'Unit', any change in its ownership would not prevent the admissibility of exemption for the remaining part of the ten year exemption period subject to fulfillment of prescribed conditions. When a Unit already availing exemption physically shifts to a new location within the areas specified that the exemption in such cases should be available for the residual period of exemption subject to fulfillment of prescribed conditions When a Unit already availing the exemption expands by acquiring a

plot of land adjacent to its existing premises and installing new plant/machinery on such land. In such cases, the exemption should continue to be available for the residual period of exemption. Reference to Board's Circular No. 939/29/2010-CX dated 22.12.2010 is provided wherein it was, inter alia, clarified that any growth in the production / output of a unit by installing fresh plant and machinery would be eligible for exemption under these area-based exemption Notifications. Accordingly, the exemption would continue to be available for the residual period of exemption

Circular No.960/03/2012-CX Central Excise,
Dated February 17, 2012

MCA

Constitution of a Committee to formulate a Policy Document on Corporate Governance:

Concerns relating to the quality of corporate governance system and the need to maintain its integrity and public accountability have resulted in a number of public interventions all over the world including the well known Cadbury Code (1992) and the Sarbanes-Oxley Act (2002) of the UK and US respectively. In India, too, a few elements of good corporate governance find mention in legal frameworks like the listing agreement of SEBI and a few of the provisions of the Companies Bill 2011. More detailed guidelines are also available, including the Voluntary Code on Corporate Governance of the CII (1998) and the National Voluntary Guidelines on Corporate Governance of this Ministry (2009) which are currently under revision by a Committee under the Chairmanship of Shri Kiran Karnik.

A need has, however, been felt to also have a formal policy document that synthesizes the disparate elements in diverse guidelines, draws on innovative best practices adopted by specific companies, incorporates the current international trends, and anticipates emerging demands on corporate governance in enterprises in various classes and scales of operation. While the policy is expected to be applicable across the corporate sector, it is not intended to dilute or whittle down the liberty to self-govern that is the hallmark of functioning of this sector - it is only intended to ensure that board and management practices and other processes conform to more standardized norms.

The Institute of Company Secretaries of India (ICSI) has prepared a concept paper on the subject entitled "Concept Paper on National Corporate Governance Policy, 2012 prepared by the Institute of Company Secretaries of India" which is available for public information at the websites www.icsi.edu. The concept paper is meant to facilitate public discussion and in ascertaining views of all stakeholders and suggesting a policy document by the Committee constituted vide paragraph 5 of this Resolution. The paper is also meant to serve as the basis for the deliberations and the outcome of the work of the Committee.

The ICSI will render secretarial assistance and logistic support to the Committee which shall submit its report to the Ministry of Corporate Affairs not later than six months from the date of holding of its first meeting.

General Circular No. 3/ 2012; No.17/46/2012-CL.V dated 07-03-2012

FEMA:

Simplification and Revision of Softex Procedure:

Considering the growth in software exports from India in recent times, the complexity of work contracts involved, the voluminous nature of contract agreements and the duration involved in execution of each contract as well as the time-consuming process involved in the certification of SOFTEX forms, the matter was revisited and a revised procedure issued Vide APDIR Circular No.80 dated February 15, 2012.

This revised procedure shall be applicable to a software exporter, whose annual turnover is at least Rs. 1000 crores or who files at least 600 SOFTEX forms annually from April 01, 2012.

Export of Goods and Services - Receipt of advance payment for export of goods Involving shipment (manufacture and ship) beyond one year

As per existing provisions, Where an exporter receives advance payment (with or without interest), from a buyer outside India, the exporter shall be under an obligation to ensure that the shipment of goods is made within one year from the date of receipt of advance payment. If the export goes beyond one year as per export agreement, then it requires prior approval from RBI. Vide this circular, now authorised dealer is authorized to approve the said transaction.

A.P. (DIR Series) Circular No. 81 dated February 21, 2012.

India's first compulsory license granted to Natco for Bayer's cancer drug

The country's first compulsory license has been granted by the Indian Patent Office to Hyderabad-based drug-maker Natco. A landmark decision, under the amended Indian Patents Act (2005), allows Natco to make and sell in India, a similar version of Bayer's Nexavar, an advanced kidney cancer drug. Natco will have to pay Bayer royalty pegged at six per cent of net sales, every quarter.

Under the Indian Patent Act, after expiry of three years from grant of patent any interested person may make an application to the Controller for grant of compulsory license on the following grounds:

- ⊕ reasonable requirements of the public with respect to the patented invention have not been satisfied.
- ⊕ the patented invention is not available to the public at a reasonable price.
- ⊕ the invention is not exploited commercially to the fullest extent in the territory of India.

Release of Foreign Exchange for Imports - Further Liberalisation

As per present FEMA regulations, any import payments by persons, firms and companies, exceeding USD 500 or its equivalent towards imports into India must be remitted subject to Form A-1 declaration. Vide this circular this limit has been increased to USD 5000 or its equivalent.

A.P. (DIR Series) Circular No. 82 dated February 21, 2012

External Commercial Borrowings (ECB) for Infrastructure Facilities within National Manufacturing Investment Zone (NMIZ)

As per existing ECB Policy, ECB under the automatic route is permitted for the infrastructure sector (including development of SEZ).

Keeping in view the infrastructural needs of the proposed National Manufacturing Investment Zones (NMIZs), developer is also allowed to avail ECB under the "approval route" for providing infrastructure facilities within the NMIZ.

A.P. (DIR Series) Circular No. 85 dated February 29, 2012

Clarification - Liberalised Remittance Scheme for Resident Individuals

RBI has given the following clarification with regard to utilization of LRS;

The facility is available to all resident individuals including minors. Remittances under the facility can be consolidated in respect of family members subject to individual family members complying with the terms and conditions of the scheme; and

Remittances under the scheme can be used for purchasing objects of art subject to the provisions of other applicable laws.

A.P. (DIR Series) Circular No. 90 dated March 06, 2012





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SIAM opposes India-EU FTA;

The auto industry body SIAM is opposing the proposed India-EU free-trade agreement (FTA) and is worried about the impact of the FTA on the Indian auto sector. President of SIAM, he argues that the Indian auto manufacturing focus cannot be sacrificed, which will inevitably happen if the FTA is signed. Moreover, other investors like the Koreans and Japanese will cry foul over their FTA's and why the Euro region is being given a preference.

RBI cuts CRR by 75 bp

The Reserve Bank of India unexpectedly slashed the cash reserve ratio (CRR) of banks by as much as 75 basis points, setting the tone for lower interest rates and easier liquidity. Friday's CRR cut, from 5.5% to 4.75%, will immediately release Rs 48,000 crore into the system. While it's unlikely to have a dramatic impact on liquidity and rates, it may improve market sentiment. It's purely a liquidity-easing measure. Banks may not rush to cut lending and deposits rates due to year-end considerations

Cheers Mobile to suspend its services

Cheers Mobile, the brand of Etisalat DB in India, has advised its customers to transfer their mobile numbers to other operators before 31st March, a date on which it will cease its operations in India. Cheers Mobile has close to 1.67 million users, most of the connections are already inactive with less than 30 per cent active users.

The decision of Etisalat to shut its India mobile operations came after the Supreme Court cancelled 15 licenses held by its joint venture Etisalat DB in the 2G scam.

Glivec ruling to determine India investment: Novartis

Ahead of the hearing of patent litigation for its anti-cancer drug Glivec in Supreme Court of India later this month, Swiss drug major Novartis has said the outcome of the case will determine if it could continue to invest in drug development in India. Novartis, which had obtained exclusive marketing rights for Glivec in India in 2003, is challenging a ruling of Intellectual Property Appellate Board (IPAB) that struck down the company's patent claims.

Novartis is seeking clarity on whether it can rely on patents in India and whether as a research-based organisation it can continue to invest in the development of better medicines for India.

US hauls India to WTO on poultry ban

The US has dragged India to the World Trade Organization for banning poultry products in alleged violation of trade rules, but Indian officials say the country is ready to defend its measures in the formal consultations, expected to begin soon. India claims that the import ban is aimed at preventing avian influenza, but it has not given scientific evidence in line with international standards on avian-influenza control.

China reports \$31.5 billion trade deficit

China reported its biggest monthly trade deficit in at least a decade in February as imports rebounded after a Lunar New Year holiday slowdown, but a broader measure showed global and Chinese demand both weakening. China's global trade deficit was \$31.5 billion — the biggest since at least the 1990s and a rare exception to a recent string of multibillion-dollar surpluses.

US working to reduce trade and investment barriers with India

The United States has started working to reduce investment and trade barriers with India and Brazil, two of the world's fastest growing markets. US is also working to enhance trade with other developing countries and the next group of emerging economies

US pushes for WTO services trade talks

The United States will not let objections from major emerging economies such as China, India and Brazil stop it from pursuing a services trade agreement within the World Trade Organization. Some major emerging economies have objected to the effort, saying it would undermine the Doha round, which has sought to liberalize trade in services, manufactured goods and agriculture and includes other components aimed at helping the WTO's poorest members benefit from increased trade.