

OFFSHORE ACCOUNTING AND TAXATION SERVICES PVT. LTD. (OATS)

TRUSTED

F & A Outsourcing
PARTNER



OATS Newsletter

October 2011

www.oats.co.in

Contents

1. External Commercial Borrowings policy- recent changes
2. Foreign Direct Investment
3. XBRL
4. Contact details

External commercial borrowings (ECB) policy— recent changes

Reserve Bank of India (RBI) has recently rationalised and liberalised ECB policy as under-

1. Enhanced limit for borrowing under automatic route: for companies in real sector, industrial sector and infrastructure sector- new limit is USD 750 million, against earlier USD 500 million. For specified service sector companies (hotel, hospital, software), the limit has been increased to USD 200 million against present limit of USD 100 million.
2. ECB can now be designated in Indian Rupees.
3. Companies in infrastructure sector can now-
 - borrow for Interest During Construction (IDC) as a permitted end use
 - Utilise 25% of the ECB proceeds for repayment of loans from domestic banks
 - Import capital goods by availing short term credit in the nature of bridge finance.

[Source:

RBI A. P. (DIR Series) Circular Nos. 25, 26 and 27 dated September 23, 2011]

Foreign Direct Investments (FDI) policy– recent changes

New consolidated FDI policy circular (Circular 2 of 2011) issued by Ministry of Commerce and Industry, Government of India effective from 1 October 2011 has made certain changes to India's FDI policy-

- Scope of permissible investment instruments restricted to only equity shares, compulsorily convertible preference shares and compulsorily convertible debentures without any in-built options. Any instruments issued / transferred to non-residents having in-built options, or supported by options sold to third parties, will be considered as foreign debt and will require compliance with External Commercial Borrowings (ECB) requirements.
- Exemption of construction-development activities in the education sector and in old-age homes, from the general conditionalities in the real estate construction- development sector
- Liberalisation of conversion of imported capital goods/machinery and preoperative/ pre-incorporation expenses to equity instruments.
- Introduction of provisions on 'pledging of shares' and opening of non-interest bearing escrow accounts, subject to specified conditions

XBRL (eXtensible Business Reporting Language)

The Ministry of Corporate Affairs has mandated XBRL filing for select class of companies vide “Companies (Filing of Documents and Forms in eXtensible Business Reporting Language) Rules, 2011” effective from 6th October, 2011.

Requisite eForms 23AC-XBRL and 23ACA-XBRL are now available on the MCA portal. The revised taxonomy and the MCA XBRL validation tool have also been released.

Link to view circulars, taxonomy and to download validation tool-
<http://www.mca.gov.in/XBRL/>

We can help you to convert your Balance Sheet and Profit and Loss account into validated XBRL format for e-filing. Write to contact@oats.co.in for details.

Contact details

Offshore Accounting and Taxation Services Pvt. Ltd.
8, Vighnesh, 2nd Floor
S. No. 126, Plot No. 3, Paud Road, Kothrud
Pune 411038 India
Tel. +91 20 2545 4579
Email: contact@oats.co.in
Website: www.oats.co.in

Finance and Accounts Outsourcing	Anant Govande	Tel: +91-982-331-0069
Indirect Taxes	Rajendra Khadilkar	Tel: +91-20-25467155
Direct Taxes	Shripad Godbole Anjali Kulkarni	Tel: +91-982-313-5264 Tel: +91-20-25652739
Corporate Laws	C. S. Kelkar	Tel: +91-982-250-2145
Sales and Marketing	Sudhir Nerurkar	Tel: +91-967-399-6308
HR & Recruitment	Vijay Waidande	Tel: +91-982-207-7137