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MACRAMÉ CONSULTANTS

Macrame Consultants Pvt. Ltd.

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Weaving Ideas Integrating Business……

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Foreign Exchange Management Regulations, 2000- Remittance of Assets

Remittance of assets:

Remittance outside India of funds representing a deposit with a bank or a firm or a company, provident fund balance or superannuation benefits, amount of claim or maturity proceeds of Insurance policy, sale proceeds of shares, securities, immovable property or any other asset held in India in accordance with the provisions of the Act or rules or regulations made there under.

General Provision:

Remittance outside India of assets held in India is **PROHIBITED**
(RBI may permit for remittance on sufficient reasons)

Cases where remittance of assets is permissible:

I. Person of Indian Origin (PIO) may make remittance of assets through an authorized dealer. *(PIO means a citizen of any country other than Bangladesh or Pakistan)*

II. A citizen of foreign state, not being a citizen of Nepal or Bhutan or a person of Indian origin (PIO), who –

- a) has retired from an employment in India,
- b) is a widow resident outside India and has inherited assets of her deceased husband who was an Indian citizen resident in India may remit an amount, not exceeding Rs.20 lakhs per calendar year, on production of,
    1) documentary evidence in support of acquisition of assets by the remitter; and
    2) a Tax clearance/no objection certificate from the Income-Tax authority for the remittance
- c) had come to India for studies/training and has completed his studies/training, may remit the balance available in his account, provided such balance represents funds derived out of remittances received from abroad through normal banking channels or rupee proceeds of foreign exchange brought by such person and sold to an authorized dealer or out of stipend/scholarship received from the Government or any Organization in India.

Cases where remittance by an Indian Entity is Permissible:

An entity in India may remit the amount being its contribution towards the provident fund/superannuation/pension fund in respect of the expatriate staff in its employment who are resident in India but not permanently resident therein

Where,

- 'expatriate staff' means a person whose provident / superannuation/ pension fund is maintained outside India by his principal employer outside India;
- not permanently resident' means a person resident in India for employment of a specified duration (irrespective of length thereof) or for a specific job or assignment, the duration of which does not exceed three years

Certain cases where RBI's prior permission is required:

In the following cases, a person who wants to make remittance of assets outside India may apply to RBI.

I. In Form LEG annexed to this regulation for remittance on account of legacy, bequest or inheritance to a citizen of foreign state permanently resident outside India.
II. remittance to a person resident outside India on the ground that hardship will be caused to such a person if remittance from India is not made
III. remittance of winding up proceeds of a branch/office in India of a person resident outside India

Provided, following documents are attached with the application:

A. copy of the Reserve Bank's permission for establishing the branch/office in India
B. Auditor's certificate:
    a) Indicating the manner in which the remittable amount has been arrived and supported by a statement of assets and liabilities of the applicant, and indicating the manner of disposal of assets;
    b) Confirming that all liabilities in India including arrears of gratuity and other benefits to employees etc. of the branch/office have been either fully met or adequately provided for;
    c) Confirming that no income accruing from sources outside India (including proceeds of exports) has remained unrepatriated to India;
C. No-objection or Tax clearance certificate from Income-Tax authority for the remittance; and
D. Confirmation from the applicant that no legal proceedings in any Court in India are pending and there is no legal impediment to the remittance.

NATIONAL MANUFACTURING POLICY: AN OVERVIEW

The National Manufacturing Policy is the most comprehensive and significant policy initiative taken by the Government. The need to raise the global competitiveness of the Indian manufacturing sector is imperative for the country's long term growth.

Areas Addressed

- Regulation
- Infrastructure
- Skill Development
- Technology
- Availability of Finance
- Exit Mechanism
- Growth Factors

Vision behind the National Manufacturing Policy:

- Increase in manufacturing sector growth to 12-14% per annum over the medium term
- Increase in share of manufacturing in the country's GDP from 16% to 25% by 2020.
- Creating of 100 million additional jobs by 2022 in manufacturing sector
- Creation of appropriate skills among rural migrants & urban poor for inclusive growth
- Increase in domestic value addition and technological depth in manufacturing
- Enhancing the global competitiveness of the Indian manufacturing sector

INCENTIVES

Green Technology and Practices:

- Incentive for renewable energy
- Rebate on Water cess for setting up wastewater recycling facilities
- Grant of 25% to SMEs for expenditure incurred on audit, subject to maximum of INR 1,00,000.00
- 5% interest in reimbursement & 10% capital subsidy for the production of equipment/machines/devices for controlling pollution, reducing energy consumption and water conservation.
- 10% one-time capital subsidy for units practicing zero water discharge.
- Incentive of INR 2,00,000.00 for all buildings which obtain a green rating under the IGBC/LEED or GRIHA systems.

Technology Development:

- Incentives for the production of equipment/machines/devices for controlling pollution, reducing energy consumption and water conservation.
- SMEs will be given access to the patent pool and/or part of reimbursement of technology acquisition costs up to a maximum of INR 20,00,000.00 for the purpose of acquiring appropriate technologies up to a maximum of 5 years.

Benefits to SMES:

- A tax pass-through status for venture capital funds with a focus on SMEs in the manufacturing sector.
- Liberalization of RBI norms for banks investing in venture capital funds with a focus on SMEs, in consultation with RBI.
- The liberalization of IRDA guidelines to provide for investments by insurance companies.
- Rollover relief from long term capital gains tax to individuals on sale of residential property in case of re-investment of sale consideration.
- The inclusion of lending to SMEs in manufacturing as part of priority sector lending.
- The setting up of a stock exchange for SMEs.
- Easier access to bank finance through appropriate bank lending norms.
- Service entity for the collection and payment of statutory dues of SMEs.

MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

MSMEs emerged as a dynamic sector of the Indian economy in the last five decades. It contributed 8% of the country's GDP, 45% of the manufacturing output and 40% of exports and provides employment to about 60 million people in India.

Categorization under MSME Act

Type of Enterprise	Investment in Plant & Machinery (Manufacturing)	Investment in Equipment (Service)
Micro	Up to Rs. 25 Lakhs	Up to Rs. 10 Lakhs
Small	Above Rs. 25 Lakhs up to Rs. 5 Crores	Above Rs. 10 Lakhs up to Rs. 2 Crores
Medium	Above Rs. 5 Crores up to Rs. 10 Crores	Above Rs. 2 Crores up to Rs. 5 Crores

International Coorporation Scheme for MSMEs:

Objective:

Technology Infusion/upgradation, modernization and promotion of exports of Indian MSMEs.

The Scheme covers the following activities:

- Deputation of MSME business delegations to other countries for exploring new areas of technology infusion/upgradation, facilitating joint ventures, improving market of MSMEs products, foreign collaborations, etc.
- Participation by Indian MSMEs in international exhibitions, trade fairs and buyer-seller meets in foreign countries as well as in India, in which there is international participation.
- Holding international conferences and seminars on topics and themes of interest to the MSME.

Other Schemes for Micro, Small Scale and Medium Enterprises under MSME Act:

- Bank Credit Facility, Bill discounting facility, B2B Service, Training and Skill Development Programs and Exhibitions.
- As the world is going globalised, World Trade Organisation set up a cell called World Trade Organisation Cell in the office of Development Commissioner (MSME) in 1999. The objective of the Cell are:
    a) to keep abreast with the recent developments in WTO
    b) To disseminate information to MSME Associations and other stake holders about the various aspects of WTO and its likely implications for SMEs
    c) To coordinate with other Ministries and Departments of Govt. of India on WTO matters
    d) To prepare policy for MSMEs in conformity with the provisions of WTO Agreements
    e) To organize WTO workshops/Seminars for creating awareness, capacity building and conducting sectoral studies.
- Export Promotion (Training Programme in Packaging for Exports): The share of MSMEs in total exports is spread across different segments. The basic objective is to impart training to Micro, Small & Medium Enterprises/Exporters on packaging technology, scientific packaging technology, latest designs of packaging, improving their packaging standards and overall appearance, durability, value of products and highlighting the importance of packaging in marketing.

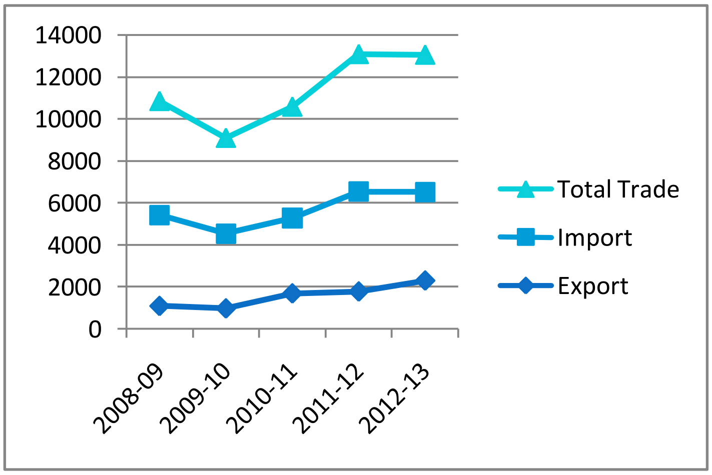
INDIA-RUSSIA RELATIONS: CHANGES IN THE ERA

India and Russia holds social and bilateral relations since the age of 1957, which is becoming strong with the initiatives and bond that we exchange with each other. There are various bilateral agreements signed between Indian and Russia, commonly:

1. The India-Russia Inter-Governmental Commission on Trade, Economic, Scientific, Technological and Cultural Cooperation (IRIGC-TEC)
2. India-Russia Joint Task Force (JTF)
3. India-Russia Forum on Trade and Investment
4. St.Petersburg International Economic Forum (SPIEF)

Majorly investment cooperation between the two nations are envisaged in Hydrocarbons, Power, Coal, Nuclear Power, Fertilizers, IT, Pharmaceuticals, Construction and Engineering services and Mineral and metallurgy. Indian investment in Russia is estimated to be about USD 6.5 billion, bulk of which are in the energy sector while Russian investments in India total about USD 1 billion, primarily in telecommunications sector.

Bilateral Trade: India & Russia



Indo-Russian Cooperation at annual bilateral summit 2014

Bilateral Trade between India and Russia is improving where Import and Export both are increasing but overall trade and investment has not seen a major change during last two years. With the coming of new governance into power, a new chapter of India-Russia relations is waiting which may become into realities with the vision and mission of cooperation between the two.

Main feature of bilateral ties between India and Russia has always been military and technical cooperation. The annual bilateral summit of India-Russia in 2014 results into signing of 16 agreements, where main section is dedicated to energy technology. Major highlights of the bilateral summit are: Russia and India agreed to the construction of 12 nuclear power plants, Delivery of 10 million tones oil annually to India for 10 years, Integrating working of North-South transport corridor.

The annual India-Russia summit took place in New Delhi was truly a milestone event. Many of the announcements at the summit were made for the first time which means that the Indian-Russian cooperation really has reached a qualitatively new level.

INDIAN BUSINESS DELEGATION VISIT TO GERMANY

In the month of November, 2014 a German Manager training programme was organized by GIZ and COGNOS International, of which Ms. Deepa Goyal from Macramé was a part. The training program was attached with learning of German market and industry visits along with valuable business meetings. Also, we attended Global Connect in Stuttgart and MEDICA Trade Fair at Dusseldorf, which helped us in getting a more clear image of German industries and their working culture.

Germany is the biggest partner of India in the European Union and the share of Bilateral Trade between the two is increasing with the passage of time. These kinds of informative programmes regularly helping to improve the conditions of trade and investment which presently India and Germany share. Our experience at Germany is notable and countless,