



NEWS ALERT

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BE A SPORT, AUTOMATICALLY

About two years ago, some franchisee of controversial Indian Premier League (IPL) had approached the government to clarify the status of foreign direct investment (FDI) in sports activities. They were confused as sports neither figured in the automatic route list nor was it mentioned in the list of sectors that required prior approval of the Foreign Investment Promotion Board (FIPB). Officials who draft policies regarding FDI told them the simple rule: business activities that do not figure in either of the lists are by default in the automatic route. India allows FDI through the automatic route in most sectors except sensitive ones such as print media, single brand retail and telecom, where foreign investments require prior permission of FIPB. Under the automatic route, a foreign investor informs its business deal to the Reserve Bank of India (RBI) within 30 days of such transaction. But FDI in sectors specified outside the automatic route requires prior approval of the board.

Relief for Satyam on NYSE Deadline

IT services provider Satyam Computers, which is now known as Mahindra Satyam, said on Tuesday that the New York Stock Exchange has given it time till mid-October to file the annual report and remain listed on the US bourse.

The company, in its filing to BSE, said it had received a letter from NYSE stating its decision, on April 23, on the extension of time granted to file Form 20F for the financial year ended March 2009 with the Securities Exchange Commission. It had earlier sought more time to file the annual reports in the backdrop of the accounting scam by its promoter B Ramalinga Raju.

Changes in Foreign Trade Policy in Offing

The foreign trade policy announced last year could be amended after the directorate general of foreign trade (DGFT) has completed its review of individual export sectors. The review report will identify policy related problems and other hurdles and is expected in August, commerce and industry minister Anand Sharma has said. India's exports started picking up since November last year, after a 13-month fall due to the global slowdown, and the ministry is hopeful that they would touch \$170 billion.

The E&Y strategy paper points out that the share of engineering items in India's total exports is much lower than that of the developed world. It should aspire to achieve a three-fold increase in its engineering exports to \$110 billion by 2014, it proposed.

The study commissioned by the Engineering Export Promotion Council (EEPC) said that engineering exports would have to grow by 22-25% annually for reaching the milestone.

This is a robust target and if the engineering sector is able to maintain its share of nearly 22% in total exports, \$ 110 billion is certain.

