



# 2013-14

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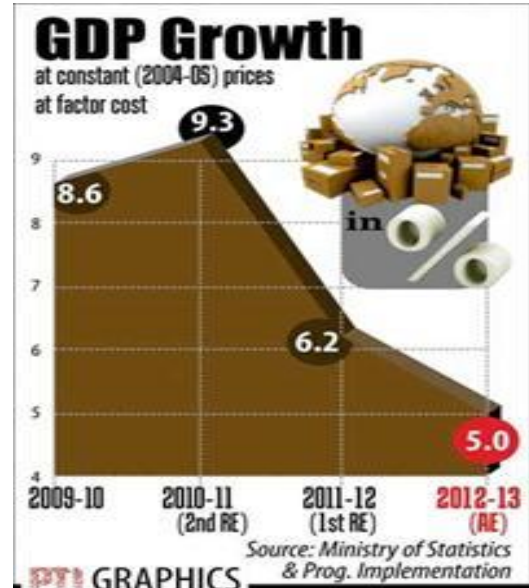
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# I. ECONOMIC SURVEY

## + Growth of Gross Domestic Product (GDP)

- Growth of GDP for the current year 2012 -13 is estimated to be 5%.
- The major focus of the Survey this year is likely to be on pushing economic growth, which has been projected by the Central Statistical Organisation (CSO) at 5% for this fiscal, sharply lower than the original estimate of 7.6% (+/- 0.25 per cent).
- Nevertheless, despite this slowdown, the compound annual growth rate (CAGR) for gross domestic product (GDP) at factor cost, over the decade ending 2012-13 is 7.9 per cent.



## + Inflation and Measures taken to reduce Inflation

- The Wholesale Price Index (WPI) inflation is 7.5% for the current year 2012-13.



- Headline WPI inflation which averaged 9.56% in 2010-11 and 8.94% in 2011-2012 decelerated to 7.55% in the first nine months of 2012-13 (Apr-Dec).
- An Increase in Inflation has been observed for both primary food articles and manufactured food articles groups in the current year.
- Turning to components of CPI-IW, inflation for the food group, after declining to 4.52 per cent in Q4 of 2011-12, started showing an increase thereafter and has been in double digits in last three quarters of 2012-13. Inflation in the fuel and light and broad group pan supari and tobacco has also remained in double digit in the last seven quarters.

## Fiscal measures

- Import duties for wheat, onions, pulses, and crude palmolein were reduced to zero and 7.5 per cent for refined vegetable & hydrogenated oils.
- Duty-free import of white/raw sugar was extended up to 30 June 2012; presently the import duty has been fixed at 10 per cent.



## + Growth in Foreign Trade.

### a) Export growth and exchange rate changes



- Export growth in dollar terms was negative at -4.9 per cent in 2012-13 (April-January), compared to 21.3 per cent growth in 2011-12 (full year). In rupee terms, it was positive at 9.1 per cent, though here too, there was a deceleration from the 28.3 per cent in 2011-12 (full year).

### b) India's import growth

- At US\$ 406.9 billion imports in 2012-13 (April-January) registered a growth of 0.01 per cent. During 2012-13 (April-December), POL imports at US \$ 125.2 billion grew by 12.8 per cent. Non-POL imports at US \$ 239.8 billion declined by 5.1 per cent and gold and silver imports at US \$ 39.3 billion declined by 14.7 per cent. Non-POL and non-bullion imports which basically reflect the imports of capital goods needed for industrial activity and imports needed for exports declined by 3.0 per cent.



### c) Trade Deficit

- The trade deficit of US \$ 167.2 billion for 2012-13 (April-January) was 7.9 per cent higher than the US \$ 154.9 billion in 2011-12 (April- January).

## ✚ FOREX Reserves



- In the current fiscal, foreign exchange reserves have fluctuated between US\$ 286.0 billion and US\$ 295.6 billion. At end January 2013, reserves stood at US\$ 295.5 billion, indicating a marginal increase from US\$ 294.4 billion at end March 2012. The rupee, however, has been more volatile.

## ✚ Industrial Performance

- Growth in Industrial sector slowed down from 3.5 per cent in 2011-12 to 3.1 percent in the 2012-13.
- The manufacturing sector, the most dominant sector with in industry, also witnessed a decline in growth to 2.7 per cent in 2011-12 and 1.9 per cent in 2012-13 compared to 11.3 per cent and 9.7 per cent in 2009-10 and 2010-11, respectively.



- The moderation in industrial growth, particularly in the manufacturing sector, is largely attributed to sluggish growth of investment, squeezed margins of the corporate sector, deceleration in the rate of growth of credit flows and the fragile global economic
- The sluggish industrial performance also affected corporate performance. The rate of growth of sales of the corporate sector particularly in respect of listed manufacturing companies for the private sector declined from an average of 28.8 per cent in Q1 of 2010-11 to 11.4 per cent in Q2 of 2012-13. Together with a deceleration in the rate of growth of sales, the ratio of net profit to sales also moderated.
- Apart from weak investment climate, industrial sector performance remained subdued due to infrastructure bottlenecks. Industrial growth rate moderated due to sharp decline in output of natural gas, subdued performance of the coal sector and its resultant impact on thermal power generation, and slow pace of project implementation in rail, road and port sectors.



## Agriculture

- The production of food grains in 2011-12 was at a record high of 259.32 million tones.
- As mentioned under Fiscal Measures, import duties for Wheat, Onions, Pulses and Crude Palmolein were reduced to Zero and 7.5% for refined vegetable and hydrogenated oils respectively. Duty free Import of White/raw sugar was extended up to 30 June 2012. Presently the import duty has been fixed at 10%.
- FDI in retail allowed by the government can pave the way for investment in new technologies and marketing of agriculture produce in India.



- Fast agricultural growth remains vital for jobs, incomes and food security
- The Survey finds that despite an all time high total food grain production during 2011-12, the production of 2012-13 kharif crops is likely to be adversely affected by deficiencies in south west monsoon and the resultant acreage losses.
- Declining per capita availability of foodgrains has been a major concern in India, says the Economic Survey for 2012-13
- "In comparison, Indian agriculture has performed well primarily due to timely policy interventions. Nevertheless, the average annual growth rate of 3.6 per cent during the Eleventh Five Year Plan for the agriculture & allied sector fell short of the target of 4 per cent", the survey says.

## II. DIRECT TAX

### Key Changes proposed in Finance Bill 2013

#### ✚ Tax Slabs: No changes

There is no revision in the slab rates. The slab rates applicable for the AY 2013-14 is continued to apply for the AY 2014-15 as well. The slab rates applicable for the AY 2014-15 is as follows:

<b>Resident Senior Citizen (60 to 79 years of age)</b>	<b>Tax Rate</b>
Upto 2,50,000/-	Nil
2,50,001 to 5,00,000/-	10%
5,00,000/- to 10,00,000/-	20%
Above 10,00,000/-	30%

<b>Resident Super Senior Citizen (80 &amp; above)</b>	<b>Tax Rate</b>
Upto 5,00,000/-	Nil
5,00,001 to 10,00,000/-	20%
Above 10,00,000/-	30%

<b>Any other Individual/HUF/AOP/BOI/AJP</b>	<b>Tax Rate</b>
Upto 2,00,000/-	Nil
2,00,001 to 5,00,000/-	10%
5,00,000/- to 10,00,000/-	20%
Above 10,00,000/-	30%

#### ✚ Rebate : Introduced for lower income bracket Tax payers.

- Applicable only to Resident Individual.
- A rebate U/s. 87A is introduced up to Rs. 2,000/-
- Applicable only if Total Income is less than Rs. 5,00,000/-

#### ✚ Education Cess: No change

Cess remains @ 3% for the A.Y.2014-15 .

## ✚ Surcharge: Reintroduced for all Assesseees

The surcharge applicable for the AY 2014-15 is as follows:

Person	Total Income is between Rs.1Crore & Rs.10 Crores	Total Income exceeds Rs. 10 Crores
Individual/HUF/Firm	10%	10%
Domestic Company	5%	10%
Foreign Company	2%	5%

## ✚ Other Changes Proposed:

1. **Change in definition of “Agriculture Land”** : According to the changed definition following will be considered as “Agriculture Land”:

Not being a land situated in any area within the distance, measured aurally,—

- Not being more than two kilometers, from the local limits of any municipality or cantonment board and which has a population of more than ten thousand but not exceeding one lakh; or
- Not being more than six kilometers, from the local limits of any municipality or cantonment board and which has a population of more than one lakh but not exceeding ten lakh; or
- Not being more than eight kilometers, from the local limits of any municipality or cantonment board referred to in item (A) and which has a population of more than ten lakh.”

***IMPACT: MORE AND MORE AGRICULTURAL LAND IS BROUGHT UNDER THE AMBIT OF TAXATION.***

2. **Investment allowance**: It has been proposed to provide an investment allowance at the rate of 15 percent to a manufacturing company that invests more than Rs.100 crore in plant and machinery during the period 01.04.2013 to 31.03.2015 under new Section 32AC of Income Tax Act, subject to certain conditions.

***IMPACT: 15% EXTRA DEDUCTION OVER AND ABOVE REGULAR DEPRECIATION***

3. **Buy-Back of Shares**:

- Applicable to all Private companies and Public companies which are not listed.
- Tax @ 20% on Distributed Income by the Companies U/s.115QA.
- The same shall be exempt in the hands of Share holder U/s.10 (34A).

***IMPACT: COMPANY HAS TO PAY TAX AND EXEMPT IN THE HANDS OF SHAREHOLDER.***



4. **50C extended to Business Assets:** Where the consideration received or accruing as a result of the transfer by an assessee of an asset (other than a capital asset), being land or building or both, is less than the value adopted or assessed or assessable by any authority of a State Government for the purpose of payment of stamp duty in respect of such transfer, the value so adopted or assessed or assessable shall, for the purposes of computing profits and gains from transfer of such asset, be deemed to be the full value of the consideration received or accruing as a result of such transfer (Sec 43CA).

**IMPACT: JOINT DEVELOPMENT AGREEMENT SHOULD BE CAREFULLY DRAFTED AND BUILDERS SHOULD SHOW AGREEMENT TO SELL VALUE AS INCOME.**

5. **Life Insurance:** The eligibility conditions of life insurance policies for persons suffering from disability or certain ailments, as defined U/s. 80DDB & 80U, the permissible premium rate has been increased from 10% to 15% of the sum assured. This relaxation shall be available in respect of policies issued on or after 01.04.2013 U/s.80C (3A) of Income Tax Act.

6. **Mediclaim:** Contributions made to the Central Government Health Scheme are eligible for deduction under section 80D of the Income-tax Act. Now it has been proposed to extend the same benefit to similar schemes of the Central Government and State Governments.



7. **Donations:** Donations made to the “National Children’s Fund” will now be eligible for 100% deduction U/s.80G of Income Tax Act.

8. **Interest on Housing Loan:** Keeping in view the need for affordable housing, an additional benefit of **Rs.1 lakh** for first-home buyers is proposed to be provided by inserting a new section 80EE in the Income-tax Act relating to deduction in respect of interest on loan taken for residential house. Following are the conditions:

- The loan has been sanctioned by the financial institution during the period beginning on the 1st day of April, 2013 and ending on the 31st day of March, 2014;
- The amount of loan sanctioned for acquisition of the residential house property does not exceed twenty-five lakh rupees;
- The value of the residential house property does not exceed forty lakh rupees;
- The assessee does not own any residential house property on the date of sanction of the loan.



**IMPACT: SPUR IN HOUSING SECTOR AND ASSESSES CAN CONCENTRATE ON CONSTRUCTING 2BHK WITH A COST OF LESS THAN RS.40LAKH.**

9. **Tax Residence Certificate (TRC):** Now as per Sec. 90A, the certificate of being a resident in a specified territory outside India, shall be necessary but not a sufficient condition for claiming any relief under the agreement (DTAA).

*IMPACT: TRC IS NOT THE ONLY REQUIREMENT.*

10. **GAAR:** GAAR (General Anti-Avoidance Rule) (Chapter XA) shall be inserted with effect from 1<sup>st</sup> April 2016.

11. **Royalty and Fee for Technical services:** The rate of Income Tax for Non-resident (not being a company) or a foreign company, on income by way of Royalty or Fee for Technical services has been increased from 10% to 25%. (Sec 115A (1) (b))

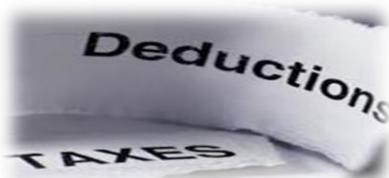
*IMPACT: ADDITIONAL RESOURCE MOBILIZATION, IMPORT OF SERVICES WILL BE MORE COSTLY. WITHHOLDING TAX COLLECTIONS WILL SEE A HUGE INCREASE. 25% IS APPLICABLE WHERE THE NON-RESIDENT DOESN'T FURNISH PAN. 25% SHOULD BE INCREASED BY APPLICABLE SURCHARGE AND CESS.*



12. **Defective Returns:** It is proposed to amend the Explanation to Section 139(9), so as to provide that the return of income shall be regarded as defective unless the tax together with interest, if any, payable in accordance with the provisions of section 140A has been paid on or before the date of furnishing of the return. (w.e.f.01.06.2013)

*IMPACT: NO RETURNS ARE FILED WITHOUT PAYMENT OF TAX AND INTEREST THEREON. FAILURE TO PAY TAXES MAY RESULT IN RETURN BECOMING INVALID FROM DEFECTIVE AND IT IS AS GOOD AS NON-FILING OF RETURN. FURTHER IMPACTS ARE, LOSSES CANNOT BE CARRIED FORWARD AND APPLICABLE PENALTIES WILL BE LEVIED.*

13. **TDS on Transfer of Immovable Property:** It is proposed to introduce TDS to be deducted by the transferee @ 1% on the Immovable property value which exceeds Rs. 50 lakhs. Agriculture land is exempted.(Sec. 194IA)



*IMPACT: TDS IS APPLICABLE EVEN IF SELLER IS RESIDENT.*

14. **Advance Tax:** For computation of Advance Tax U/s.209, Surcharge needs to be considered.

15. **Annual Information Return (AIR):** The person who fails to furnish AIR within due date shall be levied a further penalty of Rs.500/- for every day during which such failure continues.

### III. INDIRECT TAX

#### i. SERVICE TAX

##### + Negative List of Services

Addition of 2 new services in to the negative list of Service Tax:

- Vocational courses offered by institutes affiliated to the State Council of Vocational Training in addition to National Council for Vocational Training.
- Testing activities directly related to production of any agricultural produce like soil testing, animal feed testing, testing of samples from plants or animals, for pests and disease causing microbes.

##### + Exemption

Service Tax exemption on temporary transfer or permitting use of copyright on cinematography will be limited only to films exhibited in cinema hall or a cinema theatre.

##### + Taxability

Following are taxable as the Exemptions provided earlier withdrawn from 1/4/2013:

- Services provided by educational institutions by way of Renting of Immovable property.
- Services by way of vehicle parking to general public.
- Services provided to Government, a local authority or a governmental authority by way of repair or maintenance of aircraft.
- Levy of Service Tax on all Air Conditioned Restaurants and restaurants having Central Air Heating in any part of the establishment at any time during the year.

##### + Reduction in Abatement

Percentage of Abatement allowed on high-end constructions like homes and flats with carpet area of more than 2000 sq.feet or whose value is Rs.1 Crore or more, has been **reduced from 75% to 70%**, hence now taxable value will be at **30%**.

##### + Others

Increase in imprisonment up to three year in case of offence such as non issuance of Invoice, wrong availment of CENVAT Credit, Improper maintenance of books of accounts and imprisonment up to seven year for non-payment of taxes collected within six months where amounts involved is more than Rs. Fifty Lakhs .



## ✚ ‘Service Tax Voluntary Compliance Encouragement Scheme, 2013’

To encourage the registered assesses under Service Tax, who have not filed / submitted the required returns and to provide an opportunity to the defaulter onetime scheme called ‘**Service Tax Voluntary Compliance Encouragement Scheme 2013**’ is Proposed.

- Some salient features

- ✓ Any person may declare his tax dues, in respect of any period from 1st October 2007 to December 2012 for which no notice or an order of determination has been issued or made before the 1st day of March, 2013.



- ✓ The person who has furnished return and disclosed his true liability but taxes not paid are not eligible.
- ✓ Where an enquiry or Investigation has been initiated by way of search of premises or issue of summons or notice to produce books of accounts or An Audit has been initiated before 1<sup>st</sup> March 2013, then such assesses are not eligible for this scheme.

- Time limit to pay the taxes

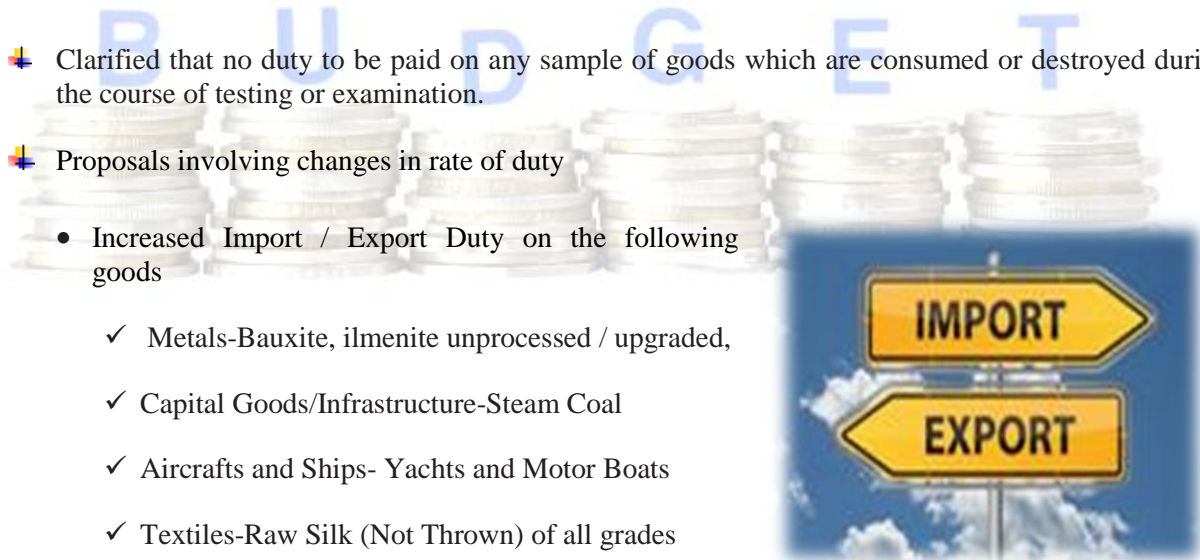
50% of the service tax due has to be paid along with declaration to be submitted on or before 31st December 2013, and balance 50% of the service tax due to be paid on or before 30th June 2014. A Further extended time is provided where the balance is not paid the same can be paid along with applicable interest before 31st December 2014.

- Benefits under the scheme

- ✓ The declarant, upon the payment of the tax dues declared by him can avail waiver of Interest and penalties on such tax dues.
- ✓ Declaration shall become conclusive upon payment of full taxes along with interest if any, and Immunity shall be granted from payment of interest , penalty and such other proceedings under the chapter.
- ✓ Upon the issuance of acknowledgement of discharge, no matter shall be reopened thereafter in any proceedings before any authority or court relating to the period covered by such declaration.
- ✓ If the Declaration is found to be substantially false, then the Commissioner for the reasons to be recorded in writing serve notice with-in one year from the date of declaration for non-payment of taxes.

## ii. CUSTOMS

- ✚ Provision of attachment of property has been introduced in the Act where the notice for recovery of duties has been served.
- ✚ The interest free period for payment of import duty for home consumption is reduced to TWO Days from FIVE days
- ✚ Power to arrest is introduced in the following instances :-
  - Evasion or attempted evasion to pay duty exceeding fifty lakh rupees
  - Transacting in Notified Prohibited goods
  - Import or export of any goods which have not been declared in accordance with the provisions of this Act and the market price of which exceeds one crore rupees;
  - Fraudulently availing of or attempt to avail of drawback or any exemption from duty provided under this Act, if the amount of drawback or exemption from duty exceeds fifty lakh rupees.
- ✚ Clarified that no duty to be paid on any sample of goods which are consumed or destroyed during the course of testing or examination.
- ✚ Proposals involving changes in rate of duty
  - Increased Import / Export Duty on the following goods
    - ✓ Metals-Bauxite, ilmenite unprocessed / upgraded,
    - ✓ Capital Goods/Infrastructure-Steam Coal
    - ✓ Aircrafts and Ships- Yachts and Motor Boats
    - ✓ Textiles-Raw Silk (Not Thrown) of all grades
    - ✓ Electronics/Hardware-Set Top Boxes
    - ✓ Automobiles-Passenger Cars and Motor Vehicles CIF value more than US\$ 40,000 and/or engine capacity exceeding 3000cc for petrol run vehicles and exceeding 2500 cc for diesel run vehicles, Motor Cycle with engine capacity of 800cc or more.
    - ✓ Education Cess and Secondary & Higher Education Cess on Aircraft and Aircraft Parts, Soya bean oil, Olive oil etc.



- Reduced Import / Export Duty on the following goods
  - ✓ Agriculture/Agro processing/Plantation sector –Dehulled Oat Grain, Hazel Nuts
  - ✓ Metals-, Stainless Steel Wire and Wash Coat When Used In Manufacture of Catalytic Convertors and their Parts
  - ✓ Precious Metals- Pre-forms of Precious and Semi-Precious Stones
  - ✓ Capital Goods/Infrastructure- Bituminous Coal, 20 Specified Machinery for use in Leather and Footwear industry
  - ✓ Textiles -Textile Machinery and Parts
- Exemption / Nil Rate of Duty
  - ✓ Baggage Rules are being amended to,-
    - i. Duty free allowance in respect of jewellery for an Indian passenger who has been residing abroad for over one year or a person who is transferring his residence to India is raised from Rs.10,000 to Rs.50,000 in case of a gentleman passenger and from Rs.20,000 to Rs.1,00,000 in case of a lady passenger.
    - ii. Duty free allowance for crew member of vessel/aircraft is raised from Rs.600 to Rs.1500.
  - ✓ Export duty of 10% on de-oiled rice bran oil cake is withdrawn.
  - ✓ Export duty on galvanized steel sheets falling under certain sub-headings, retrospectively w.e.f.-01.03.2011.
  - ✓ The exemption is now being extended to parts and testing equipments for maintenance, repair and overhaul of aircrafts and parts thereof.
  - ✓ Lithium ion automotive battery for manufacture of lithium ion battery packs for supply to the manufacturers of hybrid and electric vehicles.
  - ✓ Time period of exemption for the specified parts of electric and hybrid vehicles is being extended by 2 more years i.e., up to 31st March, 2015
  - ✓ Trophy imported by National Sports Federation recognized by the Department of Sports and Youth Affairs or any Sports Body registered under Societies Registration Act, in connection with any international tournament held in India is exempted.




### iii. CENTRAL EXCISE

- ✚ Extended Imprisonment of seven year which are cognizable and non bailable in case of Offence involving evasion of duty leviable exceeding fifty lakh rupees with fine.
- ✚ New Tariff is inserted by way of S. No. 31A to include branded and generic Ayurvedic, Unani, Siddha, Homeopathic or Bio-chemic medicaments in Third Schedule.
- ✚ 'Zero excise duty route' is being restored in respect of branded readymade garments and made ups with certain conditions.
- ✚ Abatement of 35% from MRP is introduced for Branded Ayurvedic medicaments and medicaments of Unani, Siddha, Homeopathic or bio-chemic system.
- ✚ Proposals involving changes in rates of duty
  - Decrease in Duty
    - ✓ Excise duty on Truck Chassis is being reduced from 14% to 13%
  - Increase in Duty
    - ✓ Automobiles-SUVs other than Sports Utility Vehicles registered for use as taxis increased from 27% to 30%
    - ✓ Metals- ED of 4% on Silver manufactured from zinc/lead smelting,
    - ✓ Compounded Levy on stainless steel "Patta Patti" is increased from Rs.30000 to Rs. 40000 per machine per month,
    - ✓ Clarified that Trimmed or untrimmed sheets or circles of copper intended for use in the manufacture of handicrafts or utensils includes copper and copper alloys including brass.
    - ✓ Electronics/Hardware –Mobile Phones of Retail Sale Price Exceeding Rs 2000/- is increased from 1% to 6%
    - ✓ Cigarettes along with cigars and cigarillos except Cigarettes of Length not Exceeding 65 mm is increased by about 18%.
    - ✓ Marble Tiles and Slabs-Duty increased from Rs.30 per sq mtr to Rs. 60 per sq mtr.
  - Exemption/Nil Rate of Duty
    - ✓ Agriculture / Agro Processing / Plantation Sector-
      - i. Tapioca sago (sabudana) and tapioca starch manufactured and consumed captively in the manufacture of tapioca sago is exempted fully.
      - ii. Henna powder or paste, not mixed with any other ingredient is exempted.
    - ✓ Ships, Aircrafts and other vessels is exempted when imported hence it is exempted from CVD when imported.
    - ✓ Handmade carpets and carpets and other textile floor coverings of coir or jute, whether or not handmade is exempted fully.
    - ✓ Intermediate goods manufactured and consumed captively by exempted units under area based exemption scheme in Himachal Pradesh and Uttarakhand is exempted fully.




## IV. FOREIGN EXCHANGE MANAGEMENT ACT, 1999



### Recent Amendments

<u>SL NO</u>	<u>SUBJECT</u>	<u>REGULATION</u>	
1	Non-resident guarantee for non-fund based facilities entered between two resident entities	The facility of non-resident guarantee under the general permission is extended to non-fund based facilities (such as Letters of Credit/guarantees/Letter of Undertaking (LoU) /Letter of Comfort (LoC) entered into between two persons resident in India.	
2	Trade Credits for Import into India	Companies in the infrastructure sector are allowed to avail trade credit, under the extant guidelines on External Commercial Borrowings (ECB) up to a maximum period of <b>five years</b> for import of capital goods as classified by DGFT (earlier 3 years)	
3	External Commercial Borrowings (ECB) Policy – ECB by Small Industries Development Bank of India (SIDBI)	SIDBI is included as an eligible borrower for availing of ECB for on-lending to MSME sector, as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006	
4	Memorandum of Instructions governing Money Changing Activities	AMCs having multiple branches are allowed to have system of Concurrent Audit to cover: - 80% of the transactions value-wise under monthly audit - balance 20% value under quarterly audit.	
5	External Commercial Borrowings (ECB) for the low cost affordable housing projects	ECB is allowed for low cost affordable housing projects under the approval route	
6	Export of Goods and Services – Simplification and Revision of Softex Procedure at SEZs	A software exporter either under STPIs or SEZs/EPZs/100%EOU/DTA, whose annual turnover is at least Rs.1000 crore or who files at least 600 SOFTEX forms annually on all India basis, will be eligible to submit a statement in excel format.	



<u>SL NO</u>	<u>SUBJECT</u>	<u>REGULATION</u>	
7.	Foreign Direct Investment (FDI) in India - Issue of equity shares under the FDI scheme allowed under the Government route.	<b>Second hand machineries</b> are excluded for the purpose of issue of equity shares/ preference shares under the Government route by conversion of import of capital goods, etc.,	
8.	Establishment of Liaison Offices (LO) /Branch Offices (BO) / Project Offices (PO) in India by Foreign Entities – Reporting requirement	All the new entities setting up LO/BO/PO shall: a) submit a report containing information as prescribed within five working days of the LO/BO/PO becoming functional to the Director General of Police (DGP) of the state concerned in which LO/BO/PO has established its office. If there are more than one office of such a foreign entity, each of the DGP concerned of the state where it has established office in India;  b) Submit a copy of the report as per prescribed with the DGP concerned and to AD on annual basis along with a copy of the Annual Activity Certificate/Annual report	
9.	Foreign Direct Investment (FDI) in India - Allotment of Shares to person resident outside India under Memorandum of Association (MoA) of an Indian company - Pricing guidelines	Investment by non-residents (including NRIs) in an Indian company by way of subscription to Memorandum of Association is at face value subject to their eligibility to invest under the FDI scheme	
10.	Obligation of Authorised Persons (AP) under Prevention of Money Laundering Act, (PMLA), 2002 – under Money changing activities	Withdrawal of Foreign Exchange in rupees exceeding Rs.50,000/- in aggregate within 30 days or for a single journey/visit abroad, <b><u>APs liable to receive only by crossed cheque drawn on the bank account of the applicant's firm/company sponsoring the visit of the applicant/Bank's cheque / Pay Order / Demand Draft / debit cards / credit cards / prepaid cards.</u></b>	