CCI Business Bulletin - INDIAN ECONOMY
November 6 – November 12, 2004

MAJOR MOVEMENTS			
Major Indices	November 5, 2004	November 12, 2004	% Change
BSE Index	5,891.38	5,964.01	1.23
NSE Nifty	1,852.30	1,872.95	1.11

POLICY WATCH

Excise exemption for new units in Kutch extended by one year
THE Centre has extended by yet another year the validity of excise duty exemption for the manufacture of specified goods by new units in Kutch district of Gujarat. According to an official statement, the time limit for setting up new units and starting commercial production now stands extended to December 31, 2005 which would give sufficient time for the completion of ongoing projects. Following the massive earthquake in Gujarat in January 2001, the Government had then notified an excise duty exemption scheme to attract investment in the Kutch region. The exemption was available only to new units that were set up and which commenced commercial production on or before December 31, 2003.

DoT imposes licence, entry fees on ISPs
THE Department of Telecommunications (DoT) has imposed a licence fee on Internet Services Providers (ISPs) amounting to 8% of their annual gross revenue. The Government has also set a one-time entry fee ranging between Rs 10 Million and Rs 100 Million on ISPs, depending on the category of their licence. However, ISPs have been allowed to offer leased line-Based Virtual Private Network (VPN) services as part of the licence. Until now, ISPs did not pay any licence fee and were required to pay a token amount of Re 1 only as entry fee.

Insurers can invest in big ticket IPOs
THE Insurance Regulatory and Development Authority (IRDA) has relaxed the investment guidelines for the insurance companies, especially with regard to the big-ticket Initial Public Offers (IPOs). The insurance regulator has decided to consider investments by insurance companies in IPOs of not less than Rs 5,000 Million as 'approved investments'. As per the current regulations in force, investment in equity shares through IPOs is categorised as 'other than approved investments' and the insurance companies cannot invest more than 25% in this category. IRDA has, however, fixed certain conditions for considering investments in equity shares offered through IPOs as 'approved investments'. Equity shares have to be 'listed' through IPO and the size of the issue of equity shares through IPO, including offer for sales, should not be less than Rs. 5,000 Million. Further, the number of shares offered through IPO should not be less than 5 Million shares.

Web site for investor protection launched
THE Ministry of Company Affairs on November 9, 2004 launched a new Web site www.watchoutinvestors.com created by the Prime Investors' Protection Association and League (PIPAL). The Investor Education and Protection Fund under the Ministry has provided financial assistance to PIPAL to set up the site. It will provide a grant of Rs 3 Million every year for maintenance of the site. The Ministry has also taken many steps towards investors' education and awareness. A separate cell in the Ministry has been created to process investors' complaints. Further, the details of the nodal team in the Ministry and field offices for dealing with the investors' grievances have also been put on the Ministry's Web site.

Ministry wants RBI to review ownership norms for private sector banks
MINISTRY of Finance (MoF) has suggested the Reserve Bank of India (RBI), that when a bank is looking at investing in an Indian private sector bank, the central bank should also consider the equity structure of the investor bank to determine the extent of holding it will be permitted to acquire in the investee bank. Currently, the RBI's focus is solely on the holding