www.pwc.in

Refresh

Changing Regulatory Landscape

Newsletter

January 2013

pwc

In this Issue

Sectoral Regulations **03**
- *Financial Services*
- *Telecommunication*
- *Special economic zones*

Corporate Regulations **12**
- *Exchange Control*

Perspective **14**

Glossary **16**

Sectoral regulations

Financial services

RBI harmonises definition of 'infrastructure loan' of NBFCs

- The RBI has aligned the definition of 'infrastructure lending' with that of the Master List of Infrastructure sub-sectors' notified by the government of India on 27 March 2012.
- The circular further states that the exposure of NBFCs to projects under sub-sectors which were included under the previous definition of infrastructure, but not included under the revised definition, will continue to get the benefits under 'infrastructure lending' for such exposures till the completion of the projects. However, any fresh lending to those sub-sectors will not qualify as 'infrastructure lending'.
- This will be relevant to infrastructure finance NBFCs and normal NBFCs engaged in infrastructure financing.

The sub-sectors include the following:

S no	Category	Infrastructure sub-sectors
1.	Transport	i. Roads and bridges ii. Ports iii. Inland waterways iv. Airport v. Railway track, tunnels, viaducts, bridges vi. Urban public transport (except rolling stock in case of urban road transport)
2.	Energy	i. Electricity generation ii. Electricity transmission iii. Electricity distribution iv. Oil pipelines v. Oil, gas or liquefied natural gas storage facility vi. Gas pipelines
3.	Water and sanitation	i. Solid waste management ii. Water supply pipelines iii. Water treatment plants iv. Sewage collection, treatment and disposal system v. Irrigation (dams, channels, embankments, etc.) vi. Storm water drainage system
4.	Communication	i. Telecommunication (fixed network) ii. Telecommunication towers
5.	Social and commercial infrastructure	i. Education institutions (capital stock) ii. Hospitals (capital stock) iii. Three-star or higher category classified hotels located outside cities with population of more than a million iv. Common infrastructure for industrial parks, SEZ, tourism facilities and agriculture markets v. Fertiliser (capital investment) vi. Post harvest storage infrastructure for agriculture and horticultural produce including cold storage vii. Terminal markets viii. Soil-testing laboratories ix. Cold chain

Draft report of its Working Group on Gold – RBI Press Release

- The RBI has placed a draft report of the Working Group on this subject. Key conclusions of the report are as follows:

    - The increase in gold loans extended by NBFCs and banks does not significantly impact gold prices in India.
    - The extant loan to value ratio should provide a reasonable risk cover in case the gold prices fall by 10%.
    - Asset quality, NPAs as per cent of the total credit exposure, capital adequacy and sources of funds of gold loan NBFCs do not appear to be an immediate cause of concern.
    - The striking growth of gold loan NBFCs business warrant that their operations may be closely monitored.
    - Some gold loans NBFCs have been raising public deposits surreptitiously through unincorporated bodies. This is a concern.
    - Gold loans NBFCs are doing a socially useful function and that provides a strong rationale for a careful regulation of their activities.

ECBs by infrastructure finance NBFCs - RBI Circular

- As per the extant guidelines of the RBI, infrastructure finance NBFC-IFCs are permitted to avail of ECBs, up to 50% of their owned funds under the automatic route and above 50% their owned funds under the approval route. The end-use permitted is for on-lending to the infrastructure sector as defined along with a requirement to hedge their entire currency risk.

- The RBI has now enhanced the ECB limit for NBFC-IFCs under the automatic route from 50% of their owned funds to 75% of their owned funds, including the outstanding ECBs. Availing ECBs beyond 75% of their owned funds will be permitted under the approval route. Also, the hedging requirement for currency risk has been reduced from 100% of the exposure to 75% of the exposure.

SEBI board meeting held in Chennai

Some of the key decisions taken in the meeting are as follows:

<u>Amendments to the SEBI Takeover Regulations 2011:</u>

- Where open offer requirements are triggered pursuant to an agreement or any other mode of acquisition, the relevant date for determining the price of open offer should be the earliest date on which such obligations are triggered.

- The date of passing of board resolution authorising the preferential allotment shall be the relevant date for trigger of offer obligations and determination of offer price.

- The disclosure requirements with respect to buying or selling of more than 2% holding by persons holding 5% shareholding shall now be in lines with the Prohibition of Insider Trading Regulations.

<u>Amendments to the SEBI Mutual Fund (MF) Regulations for IDF:</u>

- IDF-MFs allowed to invest funds received on account of pre-payment of principal or regular repayments of principal with respect to the underlying assets of the IDF in bonds of PFIs and infrastructure finance companies in case AMC of such IDF is unable to fund the core assets for deployment of the amounts of principal.

- Tenure of the IDF-MF scheme allowed to be extended up to two years beyond the original tenure with consent of two-thirds of its investors by value.

- The RBI registered systemically important NBFCs and the SEBI registered FIIs have been recognised as investors.
- The NFO period will increase up to 45 days (from 15 days) and the specified transaction period will be increased up to 45 days (from 30 days).
- Private placement to less than 50 investors will be permitted.
- An IDF scheme will be allowed to invest up to 30% (as increased from the earlier 20%) of its **assets under management** in assets not below investment grade owned by sponsor or associates subject to the condition that the sponsor or associate retains at least 30% of assets sold to the IDF till the assets are held in the IDF portfolio.
- Investments of IDF scheme in instruments of a single issuer, irrespective of rating, will be restricted to 30% of net assets, and overall investment in unrated or below investment grade assets will be restricted to 30% of net assets, extendable to 50% with prior approval of boards of trustee and asset management company.

Amendment to the SEBI (Stock Brokers and Sub-brokers) Regulations:

- To develop corporate bond markets and encourage trading, it is proposed to create a separate debt segment on stock exchanges which will also facilitate scheduled commercial banks to become members of stock exchanges for the purpose of undertaking proprietary transactions.
- The following changes in Stock Brokers and Sub-brokers Regulations are also proposed:
- Include debt segment in definition of clearing members, self-clearing members, trading members
- Introduce definition of 'proprietary trading member' to permit specified institutions such as scheduled commercial banks, primary dealers, pension funds, etc. to trade only on their own account in debt segment
- Introduce guidelines to provide for registration, procedures, fees, obligations and responsibilities for trading member, proprietary trading members, self-clearing member and clearing member of debt segment

Amendment to the SEBI (Issue of Capital and Disclosure Requirements) Regulations:

- With the objective of providing liquidity in the domestic markets, the SEBI has decided to enable two way fungibility of IDRs and guidelines providing a roadmap for future IDR issues and existing listed IDR issues will be notified by the SEBI.

SEBI Investment Advisers Regulations, 2013

In September 2011, the SEBI issued a concept paper proposing introduction of a framework for investment advisors in India. It was approved in the SEBI's meeting last year in August. The SEBI has now vide a notification dated 21 January 2013, issued the SEBI (Investment Advisers) Regulations, 2013.

Key highlights of the regulation are as follows:

- Mandatory registration for acting as an investment advisor in India
- Existing investment advisor should seek registration from SEBI within six months from issue of the regulations
- The following persons have been exempted from obtaining the registration:
  - Persons giving general comments in good faith based on market trends where such comments do not specify

any particular securities or investment product
- Registered insurance agents or brokers rendering advice with respect to only insurance products
- Registered pension advisor offering advice on pension products
- Recognised or registered distributor of mutual funds providing any investment advice to its clients incidental to its primary activity
- Advocate, a solicitor, a law firm, member of ICAI, ICSI, ICWA, actuarial society
- Any stock broker or sub-broker, merchant banker registered with the SEBI
- Fund manager of a mutual fund, AIF or any other entity registered with the SEBI
- Person rendering advice to any client outside India
- Any representative or partner of an investment adviser which is registered under these regulations

- Minimum net worth requirements are as follows:

  - Not less than 25 lakh INR for corporate investment advisers
  - Net tangible assets of value not less than 1 lakh INR for individual or partnership firms

- Registration certificate initially valid for a period of five years

- Renewal of registration to be requested within three months before the expiry date

- Investment advisor shall maintain records such as know your client records, risk assessment of clients, copies of agreements with the clients, etc.

- Investment adviser, being a body corporate or a partnership firm, shall appoint a compliance officer to monitor compliances with the Regulations.

Investment by the SEBI registered FIIs in government securities and corporate debt in India

The RBI has vide a circular dated 24 Jan 2013, notified changes with respect to foreign investment in India by the SEBI registered FIIs in government securities and corporate debts. Key changes are as follows:

- Government securities:

  - Sub-limit for investment in dated government securities enhanced from 10 billion USD to 15 billion USD
  - Three-year residual maturity of government securities at the time of first purchase for the above sub-limit shall not be applicable (i.e. not applicable for the entire sub-limit of 15 billion USD)

- Corporate debt:

  - Limit for investment in corporate debts (other than in the infrastructure sector) enhanced from 20 billion USD to 25 billion USD except for investment in certificate of deposits and commercial papers
  - One year lock-in period for of 22 billion USD limit (comprising the limits of infrastructure bonds of 12 billion USD and 10 billion USD for non – resident investment in IDFs) within the overall limit of 25 billion USD for foreign investment in infrastructure corporate bond has been dispense with
  - Five-year residual maturity requirement for investments by QFIs within the 3 billion USD limit has been modified to three years original maturity

Telecommunication

Recommendation on amendment to the proposed terms and conditions of the unified licence (access services) category to be introduced

Subsequent to the cancellation of 122 licences by the Supreme Court, the DoT held an auction of the 2G spectrum released by cancellation of such licences.

While the existing licencees have been permitted by the apex court to continue operations till 4 Feb 2013, given that the 2G spectrum is delinked from the licence to operate telecom services, there was an immediate need to issue fresh licences to the successful new entrants. Given the larger issue of extension or renewal of other incumbent licencees, the DoT has decided to issue UL (AS) as an interim measure.

The draft licence agreement for UL (AS) was prepared on the basis of the existing terms and conditions of the UASL. It was also decided that as and when the terms and conditions of unified licence are finalised, UL (AS) licencees together with other licencees including UASL, etc. will compulsorily be migrated into the unified licence regime.

In this regard, the TRAI has come out with recommendation on the proposed terms and conditions of UL (AS). Following are the key recommendations:

S no	Issue or condition	Recommendations
1	Ownership of licencee company	As the spectrum stands delinked from licences, spectrum assigned will be governed by a separate WoL. Hence, the substantial equity or cross-holding requirement should be deleted from licence agreements and should be included in WoL which will be linked to the spectrum.
2	Scope of licence	Audiotex services and unified messaging services are included in the scope. Also, limited mobility services in the local area i.e. short distance charging
3	Transfer of licence	In case of transfer of licence, the tripartite agreement to be executed amongst the licencor, licencee and lenders should be modified to include in the spectrum.

S no	Issue or condition	Recommendations
4	Suspension, revocation or termination of licence	In case of violation of terms and condition for more than four times, the major penalty shall be revised from '10 crore INR' to 'liable for cancellation of licence'.
5	AGR	Intra service area roaming revenues should not be excluded from gross revenue for calculating AGR.
6	Performance bank guarantee (PBG)	PBG should be deleted from UL (AS) and be retained in WOL as roll-out obligations are now part of WoL. For Delhi, Mumbai and Kolkata service area it shall be 7 crore INR per service area and for other service area it shall be 14 crore INR by the licencee.
7	Roll-out obligations	Additional roll-out obligations has been included.
8	Spectrum usage charges	While calculating AGR for the limited purpose of levying spectrum charges based on revenue share, only the revenue from the wireless services shall be counted.

Source: TRAI Recommendations dated 2 Jan 13

Special economic zones

CBDT clarification on issues relating to export of computer software and direct tax incentives

The Indian software industry has been a beneficiary of various direct tax incentives under the ITA u/s 10A (applicable to foreign trade zones and STPIs), 10AA (applicable to units set up in a SEZ) and 10B (applicable to 100% EoUs). These provisions prescribe incentives to 'units' or 'undertakings' established under different schemes, which are or were deriving profits from export of computer software subject fulfilling the prescribed conditions.

In the recent past, software units or undertakings established under different schemes, eligible for claiming tax incentives under the aforementioned ITA provisions were facing several issues for availing such benefits and were being denied the same leading to tax litigation.

To address the issues, the govt in August 2012, constituted a committee under the Chairmanship of N Rangachary. The first report of the committee was submitted to the Finance Minister on 14 September 2012. The report, inter-alia discussed various direct tax issues pertaining to the computer software industry, which are eligible for tax incentives under the aforementioned ITA provisions.

In light of the report, the CBDT on 17 January 2013 issued a clarification regarding issues relating to export of computer software and the direct tax incentives applicable thereto.

Following is the summary of the CBDT clarification:

Issue # 1

On-site software development qualifies as an export activity for tax benefits u/s 10A, 10 AA and 10B of the ITA

The CBDT has clarified that software developed abroad at client's place will be eligible under 10A, 10AA and 10B of the ITA as these would amount to 'deemed exports'. Further, since the benefits under these provisions can be availed by units or undertakings under specified schemes in India, it is necessary that a direct and intimate nexus or connection exists between the development of software done abroad with the eligible unit set up in India. Also, such development should be pursuant to a contract between the client and the eligible unit.

Issue # 2

Whether receipts from deputation of technical manpower for on-site software development abroad eligible for deductions u/s 10A, 10 AA and 10B of the ITA.

The CBDT has clarified that sections 10A, 10AA and 10B of the ITA clearly provide that profits and gains derived from 'services for development of software' outside India will be deemed as profits derived from exports.

Further, it has clarified that profits earned from the deployment of technical manpower at the client's place abroad specifically for software development work, pursuant to a contract will be eligible for tax benefits provided such deputation is for the purpose of development of computer software and all prescribed conditions are fulfilled.

Issue# 3

Whether it is necessary to have a separate MSA for each contract and to what extent it is relevant

The CBDT has clarified that tax benefits u/s 10A, 10AA and 10B will not be denied merely on the ground that a separate and specific MSA does not exist for each SOW. The SOW will normally prevail over MSA to determine the tax benefits, unless the AO is able to establish that there has been splitting up or reconstruction of business already in existence or there has been non-compliance of any other condition.

Issue # 4

Whether R&D activities form part of 'computer software' stipulated under explanation 2 to sections 10A and 10B

The services covered under the notification, in particular, the 'engineering and design' do not have the in-built elements of R&D. However, the CBDT has clarified that any R&D activity embedded in engineering and design will also be covered under the said notification for the purpose of explanation 2 to sections 10A and 10B of the ITA.

Issue # 5

Whether tax benefits u/s 10A, 10AA and 10B will continue to remain available in case of slump sale of a unit or undertaking

The CBDT has clarified that on the sole ground of change in ownership of an undertaking, the claim for exemption cannot be denied to an otherwise eligible undertaking and the tax holiday will be available for the unexpired period at the applicable rates, subject to the fulfillment of prescribed conditions.

It is further clarified that while the tax benefits will be available under slump sale, the vital factors determining the slump sale-how it has been made, what is the nature, etc. will require further examination.

Also it is important that the slump sale should not result in splitting up or reconstruction of business already in existence.

Issue # 6

Whether it is necessary to maintain separate books of accounts for eligible units claiming tax benefits u/s 10A and 10B of the ITA

The CBDT has clarified that there is no requirement in law to maintain separate books of accounts, hence the same cannot be insisted upon. However, the AO may for the purpose of verifying the tax deduction may ask for such details or information so as to enable him to verify the claim and quantum of exemption if so required.

Issue # 7

Whether tax benefits u/s 10AA can be enjoyed by an eligible SEZ unit consequent to its transfer from one SEZ to another

The CBDT has clarified that tax holiday should not be denied on physical relocation of an eligible SEZ unit from one SEZ to another, provided it is with the approval of the Board of Approval [in accordance with instruction no 59 of the Department of Commerce] and all prescribed conditions under the ITA are satisfied. Further, it has been clarified that the unit so relocated will be eligible to avail tax benefits for the unexpired period, as applicable.

Issue # 8

Whether new units or undertakings set up in the same location where there is an existing eligible unit or undertaking will amount to expansion of the existing unit or undertaking

The CBDT has clarified that whether setting up of a new unit or undertaking, eligible for exemptions u/s 10A, 10AA or 10B in a location, where a unit is already existing will amount to expansion of such already existing units requires a further examination and verification.

However, it has clarified that such fresh units would not make the unit ineligible for tax benefits as long as the unit has been set up by obtaining necessary approvals from competent authorities; formed by splitting up or reconstruction of business; and fulfills all other conditions prescribed in the relevant provisions of law.

Corporate regulations

Exchange controls

External commercial borrowing for hotel industry

Indian companies in the hotel sector having project size of 2.5 billion INR or more (irrespective of geographical location) can now avail ECBs **under approval route** for repayment of outstanding rupee loan(s) availed of from the domestic banking system for capital expenditure incurred earlier and/or for fresh rupee capital expenditure.

Key conditions under this liberalised window are as follows:

- The maximum permissible ECB shall be higher of the following:
  - Seventy-five per cent of the average foreign exchange earnings realised during the immediate past three financial years
  - Fifty per cent of the highest foreign exchange earnings realised in any of the immediate past three financial years
- The monetary ceiling for an individual company or group, as a whole is 3 billion USD, whereas overall ceiling for ECB under this scheme is 10 billion USD.
- The entire facility will need to be drawn within a month after taking the loan registration number and the ECB liability needs to be repaid only out of the foreign exchange earnings of the borrowing company.

Source: Source: A P (DIR Series) circular no 78 dated 21 January 2013

EEFC, RFC and DDA accounts to access forex market

The RBI has now once again permitted EEFC, RFC and DDA account holders to access forex market for purchasing foreign exchange pending utilising of available balances in these accounts.

Source: Source: A P (DIR Series) circular no 79 dated 22 January 2013

Simplification and revision of SOFTEX procedure

Software exporters either in STPIs, SEZs, EPZs, 100% EOU or DTA (earlier only in STPIs) which satisfy the following conditions will now need to follow the revised SOFTEX procedure (in excel format) for reporting export declaration:

- Annual turnover is at least 1, 000 crore INR
- Files at least 600 SOFTEX forms annually on all India basis

A P (DIR Series) circular no 66 dated 1 January 2013

Perspective

One person company: A game changer for corporate structuring

Any person wanting to set up a company in India, an individual or overseas body corporate will have to necessarily satisfy the minimum two shareholder requirement under the Act. In many cases, they are forced to rope in a second shareholder only to meet this requirement. This has lead to deadlock situations, where the second shareholder decides to either leave the organisation or on the contrary decides to take advantage of the situation.

In a welcome move, the Ministry of Corporate Affairs seems to have recognised this problem and has for the first time introduced the concept of OPC under the Companies Bill, 2012.

The Bill defines an OPC as 'a company which has only one person as a member'. Though the term 'person' is not defined under the Bill, a person normally includes any individual or a company or an association or a body of individuals, whether incorporated or not[1].

Accordingly, an individual or a company could set up an OPC once the Bill comes into force. Under the existing framework, individuals proposing to carry business had the only option of sole proprietary concern. The concept of an OPC introduces flexibility for such individuals to operate within the corporate sphere.

Some of the salient features of an OPC and the privileges they enjoy are as follows:

- An OPC is primarily a private company. Accordingly, most of the provisions applicable to a private company under the Bill will apply to an OPC as well.
- Only one director is sufficient (as against two in the case of any other private company and three in the case of a public company). An individual member can also become the director.

[1] Section 3(42) of the General Clauses Act, 1897

- The Bill has for the first time, made it mandatory for all companies to have one resident director on its board. Residency status is based on the individual's presence in India for a period of 182 days during the previous calendar year. Accordingly, care should be taken to ensure that the bodies corporate setting up an OPC should mandatorily have a person resident in India to be one of the directors of the company.

- AGM or general meeting is not required. For any business to be carried in the AGM or general meeting, it is sufficient if the resolution is communicated by the member to the company and entered in the minutes book, and signed and dated by the member. Such date shall be deemed to be the date of meeting for all purposes under the Bill.

  This is again a positive move wherein the administrative hassles of travel, personal presence at the meeting, etc., will have no bearing in the case of an OPC.

- The audited accounts will have to be filed within a period of 180 days from the date of closure of the FY.

- Information to be provided in the directors' report has been significantly reduced (as compared to a private company and public companies respectively).

- The requirement of a minimum number of board meetings to be convened under the Bill shall not apply to an OPC having one director. However, in case of OPC having more than one director, the OPC shall hold at least one meeting of the board of directors in each half of calendar year and the gap between two meetings is not less than ninety days.

Given the natural advantage of not having a second shareholder and the reduced compliances, an OPC can easily become one of the simpler and preferred options for structuring a corporate entity in India.

Further, it is likely that the existing entities intending to avail the benefits of an OPC will have to convert themselves into an OPC. We can expect more clarity on the benefits or further exemptions for both private companies and OPC once the bye-laws or rules are framed. The possible implications or ramifications will need to be evaluated further.

- Santosh G (Manager, Regulatory Services)

Glossary

Act	Companies Act, 1956
AAC	Annual activity certificate
AGM	Annual general meeting
AGR	Adjusted gross revenue
AMC	Asset management company
ARCs	Asset reconstruction companies
BCP	Business continuity plans
BoA	Board of approvals
CBDT	Central Board of Direct Taxes
CCI	Competition Commission of India
CME	Capital market exposures
CMTS	Cellular mobile telephone service
CoR	Certificate of registration
CRE	Commercial real estate exposures
DC	Development Commissioner
DDA	Diamond dollar account
DGIT	Director General of Income Tax
DoC	Department of Commerce
DoT	Department of Telecom
DR	Disaster recovery
ECB	External commercial borrowing
EEFC	Exchange earner’s foreign currency accounts
EOU	Export oriented unit
EPZ	Export processing zone
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act
FII	Foreign institutional investor
FIPB	Foreign Investment Promotion Board
FY	Financial year
HFCs	Housing finance companies
IDF	Infrastructure debt funds
IDR	Indian depository receipts
INR	Indian rupee
IT	Information technology
ITA	Income-tax Act, 1961
ITeS	Information technology enabled services
JV	Joint venture
LoA	Letter of approval
MSA	Master service agreement
NBFC-IFCs	Non-Banking finance companies – Infrastructure finance companies
NBFCs	Non-banking financial company
NHB	National housing bank
NOF	Net owned fund
NPA	Net performing assets
OPC	One person company
PFIs	Public financial institutions

R&D	Research and development
RBI	Reserve Bank of India
RFC	Resident foreign currency
SEBI	Securities Exchange Board of India
SEZ	Special economic zone
SOW	Statement of work
SPVs	Special purpose vehicles
SRs	Security receipts
STPI	Software technology parks of India
TRAI	Telecom Regulatory Authority of India
UASL	Unified access service licence
UL (AS)	Unified licences (access services)
USD	United States dollar
WoL	Wireless operating licence
WOS	Wholly-owned subsidiary

Contacts

Ahmedabad
President Plaza, 1st Floor Plot No 36
Opp Muktidham Derasar
Thaltej Cross Road, SG Highway
Ahmedabad, Gujarat 380054
Phone +91-79 3091 7000

Bangalore
6th Floor, Millenia Tower 'D'
1 & 2, Murphy Road, Ulsoor,
Bangalore 560 008
Phone +91-80 4079 7000

Bhubaneswar
IDCOL House, Sardar Patel Bhawan
Block III, Ground Floor, Unit 2
Bhubaneswar 751009
Phone +91-674 253 2279 / 2296

Chennai
8th Floor, Prestige Palladium Bayan
129-140 Greams Road,
Chennai 600 006

Hyderabad
#8-2-293/82/A/113A Road no. 36,
Jubilee Hills, Hyderabad 500 034,
Andhra Pradesh
Phone +91-40 6624 6600

Kolkata
56 & 57, Block DN.
Ground Floor, A- Wing
Sector - V, Salt Lake.
Kolkata - 700 091, West Bengal, India
Phone +(91) 033 - 2357 9101 / 4400 1111

Mumbai
PwC House, Plot No. 18A,
Guru Nanak Road - (Station Road),
Bandra (West), Mumbai - 400 050
Phone +91-22 6689 1000

Gurgaon
Building No. 10, Tower - C
17th & 18th Floor,
DLF Cyber City, Gurgaon
Haryana -122002
Phone : +91-124 3306 6000

Pune
GF-02, Tower C,
Panchshil Tech Park,
Don Bosco School Road,
Yerwada, Pune - 411 006
Phone +91-20 4100 4444

www.pwc.in

This report does not constitute professional advice. The information in this report has been obtained or derived from sources believed by PricewaterhouseCoopers Private Limited (PwCPL) to be reliable but PwCPL does not represent that this information is accurate or complete. Any opinions or estimates contained in this report represent the judgment of PwCPL at this time and are subject to change without notice. Readers of this report are advised to seek their own professional advice before taking any course of action or decision, for which they are entirely responsible, based on the contents of this report. PwCPL neither accepts or assumes any responsibility or liability to any reader of this report in respect of the information contained within it or for any decisions readers may take or decide not to or fail to take.

© 2013 PricewaterhouseCoopers Private Limited. All rights reserved. "PwC", a registered trademark, refers to PricewaterhouseCoopers Private Limited (a limited company in India) or, as the context requires, other member firms of PwC International Limited, each of which is a separate and independent legal entity.