

In India, the entities, proposing to invest on behalf of broad based funds, are eligible to be registered as FIIs are: (i) Asset Management Companies, (ii) Investment Manager/Advisor, Institutional Portfolio Managers, (iv) Trustee of a Trust, and (v) Bank

Brownfield Location

A derelict industrial area that has been demolished to accommodate new industries. This is opposite to the green field location where a new industry is set up in a new area.

Bullion

Precious metals such as gold, silver and platinum that are traded in the form of bars and coins for investment purposes and are used for jewellery as base metals.

Busy and Slack Seasons

The monetary authorities face the challenge of keeping the growth rate as high as possible, at the same time putting burden of adjustment on luxury and unproductive consumption. Monetary policy is an instrument in this respect. However, the right policies may not be palatable to the political and fiscal authorities, which is a serious problem for the economy.

From May beginning to end September is slack season and from October beginning to end April is the busy season of the Indian Economy. During the slack season, crops are generally sown. Agriculture and related businesses are slack and loans taken during the previous busy season tend to be returned. Consequently, the growth rate of money is low or negative. Governments usually borrow heavily during the slack season, since the demand for credit from the commercial sector is not very strong. Since there are no fresh crop arrivals in the market and the demand for crops is steady, the prices are expected to be generally upward in the slack season.

From October, the busy season commences and both agricultural and related industrial productions are high. Since crops arrive in the market during the busy season, prices generally are on the downward drift. It is the seasonal variation in the arrival of crops in the market, in the context of steady demand, that causes prices to fluctuate during the year.

The above pattern has been severely modified in recent years. The government borrows both during the slack and the busy seasons. Industry too is active in both the seasons. Because of greater storage and stocking facilities, the variations in the flows of agricultural products has been reduced. Money supply expands continuously and prices are generally up throughout.

Buyer's Market

A short period of market situation in which there is excess supply of goods and services forcing price fall to the advantage of the buyers.

Buyouts

Private equity (PE) investors participate in two types of buyouts of firms (a PE-backed buyout simply means that the PE investor takes a controlling stake i.e. between 50–100% in a company):

- **Management Buyout (MBO):** In such buyouts, the PE investor usually helps the existing management of the company to buy out the promoters of the company. In return, the PE investor takes a majority stake.
- **Leveraged Buyout (LBO):** In such buyouts, a large portion of fund in acquiring the company is financed by debt—the normal ratio being 70% debt and 30% equity.

Camels

An acronym derived from the terms capital adequacy (C), asset quality (A), management, earnings (E), liquidity (L) and systems for control (S). The acronym is used as a technique for evaluating and rating the operations and performance of banks all over the world.

Carbon Credit

Amidst growing concern and increasing awareness on the need for pollution control, the concept of carbon credit came into vogue as part of an international agreement, known popularly as the Kyoto Protocol. Carbon credits are certificates issued to countries that reduce their emission of GHG (green house gases) which leads to global warming.

The concept of carbon credit trading seeks to encourage countries to reduce their GHG emissions, as it rewards those countries which meet their targets and provides financial incentives to the others to do so as quickly as possible. Surplus credits (collected by overshooting the emission reducing target) can be sold in the global market. One credit is equivalent to one tonne of CO₂ emission reduced. Carbon Credit (CC) is available for companies engaged in developing renewable energy projects that off set the use of fossil fields.

The trading of CC takes place on two stock exchanges, the Chicago Climate Exchange and the European Climate Exchange. CC trading can also take place in the open market as well.

Collateral

Any item or asset which accompanies/ subordinates/ supplements a primary item is known as collateral. The term is used in banking industry while providing loans. This is also known as 'secondary or subordinate security' — which borrowers or guarantors provide in the form of an asset (like land, building, etc.) while seeking a loan. The principal/primary security is usually the borrower's personal guaranty, or the cash flow of a business.

Except for highly creditworthy customers (who can get loans against their signatures), lenders always demand a collateral if the primary security is not considered to be reliable or sufficient enough to recover the loan in case of a default— lenders have the legal right to seize the collateral.

Collective Products

A product which can only be supplied to a group. Many goods and services provided by the governments fall in this category, such as, national defence, police administration, etc.

Committed Expenditure

The expenditure of the governments from which they can not deny (as they have already committed them to pay) are known as committed expenditure. The liabilities such as 'interest' (of the internal as well as external loans) and 'pension' (of the retired personnel of the governments) are examples of such expenditure.

Communitisation

A method of privatising public service delivery without going for the tendering process. It is done by transferring powers including financial powers to the user community who will take up the job of revenue collection along with an effective and more practical governance of the service delivery. This model is bereft of profit motive and so, more transparent.

Consumer Durables

Consumer goods that are consumed over relatively long periods of time rather than immediately (opposite to the consumer non-durables) such as cars, houses, refrigerators, etc.

Consumer Non-Durables

Consumer goods which yield up all their satisfaction/utility at the time of consumption (opposite to the consumer durables), examples are cheese, pickles, jam, etc.

Core Investment Companies (CICs)

A NBFC carrying on the business of acquisition of shares and securities which satisfied the conditions: it holds not less than 90 per cent of its total assets in this form; its investments in the equity shares in group companies constitutes not less than 60 per cent of its total assets; it does not trade in its investments in shares, debt or loans in group companies except through block sale for the purpose of dilution or disinvestment; and it does not carry on any other financial activity except investment in bank deposits, money market instruments, government securities, loans to and investments in group companies.

Corporate Sustainability Index

It was proposed by the Bombay stock Exchange (BSE). It is possibly new stock exchange which will be created for developing trust marks to denote a corporate's sustainability achievements. This will be the first such index in Asia.

Countervailing Duty

Countervailing duty (CVD) is imposed by the importing nation on imports if the exporting nation is found to offer export subsidies to their exports. This