

15 August 2014

India Focus

BUSINESS

SembCorp to increase stake in Andhra Pradesh power plant

By PTI / 12 Aug, 2014

Singapore's Sembcorp Industries Ltd expects a formal approval to increase its 45 per cent stake in the 1,320 megawatt power plant in Andhra Pradesh within a "couple of months".

"We are waiting for approval and we have already made an application (to the relevant authorities)," Tan Cheng Guan, Executive Vice President and Head of Group Business Development & Commercial at Sembcorp Industries told PTI.

In February, Sembcorp took 45 per cent strategic stake in the 1,320-megawatt coal-fired power plant, located in Krishnapatnam in Andhra Pradesh's Nellore District. NCC Infrastructure Holdings Ltd, jointly with Gayatri Energy Ventures Pvt Ltd, is building the plant which would start operation by end of next year.

"I spoke to the government officials and they think that the approval should come over the next couple of months," said Tan on the sidelines of a Public Forum on India held by the Institute of South Asia Studies, National University of Singapore and the Confederation of Indian Industry.



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TOP NEWS » ECONOMY

Cabinet gives its nod to FDI in defence, railway infrastructure

PTI / Aug 6, 2014



Pushing ahead with the reforms agenda, the government on Wednesday approved raising FDI limit in the defence sector to 49 per cent and opened up the railway infrastructure segment for foreign direct investment.

The decisions were taken at the Cabinet meeting headed by Prime Minister Narendra Modi, sources said. The FDI ceiling in the sensitive defence sector has been hiked to 49 per cent from current 26 per cent, with the condition that control in joint ventures for manufacturing of defence equipment will remain in Indian hands.

The move is aimed at boosting the domestic industry, which imports up to 70 per cent of its military hardware.

In relation to the railways, the Cabinet approved allowing 100 per cent FDI in areas such as high-speed train systems, suburban corridors and dedicated freight line projects implemented in PPP mode. Finance minister Arun Jaitley in his Budget speech for 2014-15 had announced plans to increase FDI in the defence sector and open up the cash-starved government-owned railways. The Cabinet today gave approval to the announcements made in the Budget.

RBI keeps policy rate unchanged

Reuters, MUMBAI Tue Aug 5, 2014

The Reserve Bank of India (RBI) kept its key policy repo rate unchanged as widely expected, and voiced a commitment to bringing down inflation that convinced many analysts that markets will have to wait until next year for the next cut in rates.

The RBI left the repo rate at 8.00 percent, as expected by nearly all 43 economists surveyed by Reuters for a poll published last week. The repo rate has been unchanged since January, when the RBI increased it by a quarter percentage point. "It is, therefore, appropriate to continue maintaining a vigilant monetary policy stance as in June, while leaving the policy rate unchanged." Rajan stressed that the next goal was to bring inflation down to 6 percent by January 2016, while warning of upside risks to that target also.**Cont on P. 3**

Indian economy expected to grow by 5.5 per cent in current fiscal: UN report

PTI Aug 7, 2014



India's economy is expected to record stronger growth momentum of 5.5 per cent in the current fiscal, underpinned by "solid expansion" in industrial and services sectors, and impetus to economic reforms by the new government, according to a UN report.

In its report, the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) said a fragile global economy has "weighed" on Indian economy in recent years, but "delays" in tackling "structural impediments", such as rising inequality, high inflation and infrastructure shortages have also affected the growth rate.

"Indian economy expanded by 4.7 per cent in the fiscal year 2013, up from 4.5 per cent in the previous year. This rate is, however, far below the 9.5 per cent pace registered in the years prior to the global financial crisis," said the report, released at a meeting of UNESCAP here.

Noting that the economy was heading for a rebound, it said the "formation of a new government after parliamentary elections in April-May 2014 also provides impetus to economic reforms".

Talking about the financial market volatility, the report titled 'Economic and Social Survey of Asia and the Pacific 2014' said India experienced capital outflows and sharp currency depreciation in mid-2013 on speculation of a change in the United States monetary policy stance.

"In response, capital flow management tools were introduced, such as lowering the limit on overseas investment. Moreover, after a steady decrease between January and September 2013, the policy

interest rate was raised to stem capital outflows," the annual flagship publication of UNESCAP said.

It observed that "macroeconomic imbalances", such as persistently high inflation and "limited fiscal space", have constrained India's capacity to weather capital flow volatility more resiliently.

"Tight monetary policy to contain inflationary expectations and capital flight also had an impact on domestic demand. Consumer confidence deteriorated, with car sales in 2013 declining for the first time in a decade. Fixed investment also slowed, in line with sluggish demand and higher interest rates," the report said.

Core sector growth jumps to 9-month high

Business Standard: August 01, 2014

Output of eight crucial industries grew 7.3 % in June, the highest expansion after September 2013 and more than three times compared to just 2.3 per cent in May, official data showed. This might augur well for the Index of Industrial Production (IIP) since these industries have almost 38 per cent weight in the index, feel economists.

Expansion of these industries had stood at just 1.2% in a year ago period of June, 2012, which was also a factor in magnifying the growth in June of this year. Called core sector, these eight industries - coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity - had risen eight per cent in September, 2013 at aggregate level, the earlier highest figure.

In the first quarter of the current financial year, core industries expanded 4.6 % from 3.7% in the year-ago period.

In June, electricity generation recorded a phenomenal growth of 15.6%, more than double of 6.3% in the previous month. It was closely followed by the cement sector, which rose 13.6% against 8.7% in the previous month. Coal production also rose 8.1% against 5.5%. Steel production went up by 4.2% against contraction of two per cent in May.

Since the core sector constitutes more than one-third of IIP, the industrial growth is also expected to be robust in June, data of which will come in August.

"Yes, IIP growth is expected to be strong. We expect close to 5% growth in the index," said Arun Singh, senior economist with Dun & Bradstreet India. IIP growth had stood at 4.7% in May.

FIPB clears 14 FDI proposals worth Rs 1,528 cr

Press Trust of India / New Delhi / Aug 6, 2014

FIPB has approved foreign direct investment (FDI) proposals worth Rs 1,528.38 crore from 14 firms including ACME Solar Energy and Sinclairs Hotels.

The proposals were considered by the Foreign Investment Promotion Board at its meeting held on July 4. Of the proposals approved, pharma company Laurus Labs will invest Rs 600 crore; ACME - Rs 275; Sinclairs Hotels - Rs 41.52 crore and Golden Agri Resources (India) Rs 485.9 crore.

Govt readying blueprint for manufacturing revival, easing of SEZ norms: Sitharaman

The Financial Express, Aug 11, 2014



The Modi government is preparing a blueprint to revive the manufacturing sector, including a new framework for making special

economic zones (SEZs) more attractive to investors by easing various restrictions, said minister of state for commerce, corporate affairs and finance Nirmala Sitharaman. Some of the changes to the SEZ scheme may be announced in the forthcoming foreign trade policy.

In an interview with FE, Sitharaman said the government was comprehensively reviewing policies guiding the manufacturing sector as well as the existing treaties governing foreign trade. In addition, it was attempting to fix the problems affecting availability of affordable energy, which has a direct bearing on manufacturing growth, the minister said. "Measures are needed to spur all manufacturing activities, not just those relating to exports from SEZs," she said.

"There are a lot of such issues, big and small, all of which will be looked into to see how best the government would want to handle them. SEZ-related issues are not just one or two, but several, which need to be addressed comprehensively. We have heard all stakeholders. We are working on it. We will soon come to some kind of decision," Sitharaman said.

Forex Reserves Near Record High, Cover Over Eight Months of Imports

Reuters / Updated On: August 04,

India's foreign exchange reserves of \$320.56 billion in the week to August 1 are close to surpassing a record high of \$320.785 billion in September 2011.

Traders said RBI's intervention in the foreign exchange markets is the key reason for build-up in reserves.

Current reserves cover a little over eight months of imports analysts say.

RBI bought a net \$11.3 billion of up to one-year forwards in June, almost erasing its forward obligations.

It had bought \$1.8 billion in the spot market in May, latest bulletin data showed.



BANKING/FINANCE

RBI keeps policy rate unchanged..

Cont from P.1

Reuters, MUMBAI Tue Aug 5, 2014

Analysts said the RBI statement could put to rest any prospect of rate cuts for a while, with many ruling out the chances of any reduction this year.

"I think we will be in a pause mode for an extended period of time," said Mohan Shenoi, treasurer at Kotak Mahindra Bank.

The RBI did, however, announce steps to free up resources for banks to lend, a priority for Prime Minister Narendra Modi's government as it seeks to encourage investment in order to put momentum back in sluggish economic growth.

The central bank said it would continue to focus on spurring more lending and lowered banks' minimum bond holding requirements, known as the statutory liquidity ratio (SLR), by half a percentage point to 22.0 percent of deposits to free up more money for lending, effective from Aug. 9.

The RBI also cut the ceiling on debt that must be held-to-maturity (HTM) by lenders half a percentage point to 24 percent.

It did not provide an estimate on how much credit growth that could spur. The measures come after the RBI had also cut the SLR by half a percentage point in June.

India's benchmark 10-year bond fell, sending its yield up 9 bps to 8.82 percent, as cuts in both the SLR and HTM are likely to pressure bond prices due to new supply.

The partially convertible rupee strengthened to 60.73/74 per dollar versus Monday's close of 60.93/94, partly due to the RBI's caution over the prospects for rate cuts.

Rajan again reiterated a commitment to developing money markets after introducing term repos, or cash for loan transactions in 7- and 14-day increments, this year.

RBI to let NRIs buy property jointly with foreign spouse

The Indian Express, August 11, 2014

Non-resident Indians planning to buy property in India jointly with their spouse holding foreign passports could soon be allowed to do so.

The Reserve Bank of India is planning to relax the restrictions under the Foreign Exchange Management Act (FEMA), which make such acquisitions difficult.

Currently if an NRI wants to buy a house or any other real estate as a joint property with a foreign citizen spouse it is dealt as a special one needing a prior permission from the RBI on a case-by-case basis.

But RBI executive director, G Padmanabhan has said he has asked for a review of these rules. "This is an issue that requires examination in consultation with the Government of India. In fact, I have directed a comprehensive review of FEMA 21(notification) under which such transactions are dealt with," he said.

Padmanabhan said there has been a spurt in such applications but because each needs a specific permission from RBI, the process takes time.

The regulation he referred to is Notification No. FEMA 21/2000 that specifies the rules which permit an NRI or a Person of Indian Origin (PIO) to acquire immovable property in India, other than agricultural land or, plantation property or farm house.

The rules also apply to foreign companies that have been permitted to open a branch or a project office in India provided the purchase is necessary to carry on their business.

But foreign nationals even if married to an NRI cannot buy immovable property in India, unless the person can provide a proof that s/he has been a "resident of India" as per FEMA rules. With the

renewal of interest in Indian investments, a number of NRIs have planned to buy homes in India. But the restrictions on foreign nationals mean the NRI has to buy and plan to dispose of the property as the sole owner.

Banks Need Not Report Individual International Immovable Property Buys: RBI

Press Trust of India | Updated On: August 12, 2014

Mumbai: Easing norms, the Reserve Bank of India (RBI) on Monday said banks do not need to report immovable property purchases abroad by residents within the stipulated ceiling of \$125,000.

As per extant liberalised remittance scheme (LRS), resident individuals were permitted to buy immovable property outside India within the annual ceiling of \$125,000, with the condition that such cases should be immediately reported post facto to the RBI by banks.

The said regulations come under Foreign Exchange Management (FEMA) Act.

However, the RBI on Monday clarified that the requirement of the "post facto reporting stands withdrawn".

Earlier in June this year, the apex bank had raised the remittance limit for individuals to \$125,000 per year from previous limit of \$75,000 and later on eased it further by allowing the use of same for buying immovable property overseas.

The LRS allows residents to acquire and hold shares, debt instruments or other assets outside India without prior approval of the RBI.

The RBI had in August 2013 lowered the ceiling from \$200,000 to \$75,000 per person in a financial year under the LRS in view of the worsening current account deficit and a volatile rupee.

MARKETS

REITs get Sebi board's approval

Livemint: August 11, 2014

India's capital market regulator on Sunday approved a long-pending proposal to introduce real estate investment trusts (REITs)—a move that will give cash-strapped developers easier access to funds and create a new investment avenue for institutions and high net-worth individuals, and eventually ordinary investors.

The Securities and Exchange Board of India (Sebi) secured the approval of its board to allow REITs and introduce a separate set of regulations to govern them, six years after it proposed introducing the trusts. The board broadly approved proposals put out in a consultation paper on REITs in October 2013.

REITs invest primarily in completed, revenue-generating real estate assets and distribute a major part of the earnings among their investors. Typically, the income of these trusts comes from the rentals received from such properties. REITs offer a less risky alternative to investing in under-construction properties and also provide a regular income. To begin with, though, only wealthy individuals or institutions will be allowed to invest in REITs.

The Sebi board's approval followed a weekend meeting between the finance ministry and the market regulator primarily focused on creation of new investment channels in the real estate and infrastructure sector.

All REIT schemes, to begin with, will be closed-ended real estate investment schemes that will invest in property with the aim of providing returns to unit holders. The returns will be derived mainly from rental income or capital gains from real estate.

REITs, Sebi said, will be allowed to invest in commercial real estate assets, either directly or through special purpose vehicles (SPVs). In such SPVs, a REIT must have a controlling interest of at least 50% of the equity share capital. Further, such SPVs have to hold at least 80% of their assets directly in properties.

REITs will be allowed to raise funds only through an initial offering and units of REITs have to be mandatorily listed on a stock exchange, similar to initial public offering (IPO) and listing for equity shares. An REIT will be required to have assets worth at least Rs.500 crore at the time of an initial offer and the minimum issue size has to be Rs.250 crore.

The minimum subscription size for units of an REIT on offer will be Rs.2 lakh and at least 25% of the units have to be offered to the public.

Subsequently, REITs can raise money through follow-on offers, rights issues or qualified institutional placements and the trading lot for such units will be Rs.1 lakh, Sebi said in a statement.

"Reduction in the asset size to Rs.500 crore will attract more rent-yielding assets under the fold of this vehicle and allowing foreign investments, will attract pension funds and insurance compa-

nies, which have been proved as a catalyst of REITs markets globally... Both these can become drivers of growth for REITs in India," said Neeraj Sharma, partner, Walker Chandiok and Co. LLP, a chartered accountants firm.

According to an estimate by property broker Cushman and Wakefield, the assets that may qualify to be included in REITs may reach \$20 billion by 2020. In the first three to five years, as much as \$12 billion could be raised.

To help develop the trusts, BSE has set up an 11-member advisory group of experts, bankers, legal professionals and consultants in the real estate industry, according to a statement on 10 July.

The market regulator had said in its October consultation paper that although a REIT may raise funds from any type of investors, resident or foreign, initially only wealthy individuals and institutions will be allowed to subscribe to REIT unit offers.

The market regulator said an REIT may have up to three sponsors, with each holding at least 5% and collectively holding at least 25% for a period of at least three years from the date of listing. Subsequently, the sponsors' combined holding has to be at least 15% throughout the life of the REIT.

Similar to the practice in the US, Australia, Singapore and other nations where REITs are common, Sebi has decided to allow these trusts to invest primarily in completed revenue-generating properties. To ensure that REITs generate continuous returns, Sebi said at least 80% of the REIT's assets has to be invested in completed and revenue generating properties.

And, only up to 20% assets can be invested in properties that are being developed, mortgage-backed securities, debt of companies in the real estate sector, equity shares of listed companies that derive at least 75% of their income from real estate, government securities, or money market instruments.

However, no REIT can invest more than 10% in properties that are under construction.

Jitendra Virwani, chairman and managing director, Embassy Property Developments Ltd, said that while many are looking at overseas markets such as Singapore to list, he would look to list his REIT in India.

SembCorp to increase stake in Andhra Pradesh power plant.. Cont from P. 1

We are very positive on the power sector in India, especially with the new government encouraging more foreign investment and private participation in the power sector.

"We think it is going to be positive," said Tan. He did not state, however, as to how much the stake is to be increased to.

Meanwhile, Sembcorp's 60 per cent owned first power plant, also of 1,320-MW at Krishnapatnam, is expected to commence operation from end of this year.

Thermal Powertech Corporation India, a joint venture between Sembcorp and India's Gayatri Energy Venture, is building the plant.

Tan said both the plants have secured local fuel from Coal India Ltd.

Meanwhile, Sembmarine Kakinada Ltd, a joint venture of Sembcorp's Sembawang Shipyard and Kakinada Seaports Ltd, has started operation on the East Coast of Andhra Pradesh, according to Tan.

Tan, who has been studying investment in India since 2010, made the comments underlining the growing number of Singapore-based investors' plans for India.

Chairing the forum today, Singapore's Ambassador-at-Large Tommy Koh said Singapore would invest more in India as business climate improves.

Singapore's Emeritus Senior Minister Goh Chok Tong is scheduled to visit India next month while India's External Affairs Minister Sushma Swaraj is due in Singapore later this week.

Speakers at the forum, "India under Prime Minister Narendra Modi", highlighted the return of strong Indian economic growth phase and the prospects of ever increasing opportunities for foreign investors, citing pro-business policies of the new Prime Minister.

"... the company's views are that these cases are sub-judice and pending for adjudication before the Supreme Court. The disputed demands, contested on valid and bona-fide grounds, have been disclosed as contingent liabilities as it is not prob-

able that present obligations exist as on March 31, 2014," SAIL said.

"Therefore, there is no adverse impact on profit. These cases were sub-judice as on March 31, 2012 and 2013 also and there is no change in the status of these cases till date," it added.

Singapore PE Fund Invests \$40 Million In Indian Renewable Energy Company

Cleantechnica, Aug 1, 2014



Indian renewable energy companies are fast attracting investments from international companies and funds as the Indian renewable energy sector looks set for a major push backed by a favorable government.

AT Capital, a Singapore-based private equity fund, has announced a \$40 million investment in Orange Powergen Limited to help the latter expand its renewable energy infrastructure. Orange Powergen is active in the development of wind, solar, biomass and hydro power projects.

The company plans to develop a 60 MW solar power project in the southern state of Karnataka, and is considering setting up 30 MW projects in the western states of Maharashtra and Gujarat each. It also operates two wind energy projects with an aggregate capacity of almost 60 MW, and is expected to commission a 100 MW wind energy project by March 2015.

Orange Powergen has secured 16 biomass projects with 10 MW capacity each, and plans to set up three such projects during the first phase. Two projects were supposed to be commissioned this year, but the company has not updated their status as yet. The deal is AT Capital's first investment in the renewable energy sector. Over the course of this year a number of international

companies and funds have made big-ticket investments in Indian renewable energy companies. In July, ReNew Power announced that it had raised a total of \$140 million in equity investments from Goldman Sachs, the Asian Development Bank, and the Global Environment Fund. With this round, the total equity investment in the company reached \$390 million.

The Asian Development Bank also invested \$50 million in Welspun Renewables Energy Limited, picking up 13.3% equity share in the company. In May, GE Energy Financial Services picked up an equity stake worth \$24 million in India's largest solar power project. The 151 MW solar project is owned by Welspun Energy.

Tigerair partners Cleartrip

The Hindu, August 5, 2014 23:29 IST

Singapore-based budget airline Tigerair, on Tuesday, announced a strategic partnership with online travel portal Cleartrip towards expanding its distribution presence in India.

With this, Cleartrip will have direct access to Tigerair's booking engine.

Tigerair also announced one off special fares with limited sales period exclusively for Cleartrip customers starting at Rs.5,499, a press release said.

The offer, for tickets booked from August 5-17, is for travel to Singapore from Bangalore, Chennai, Hyderabad, Kochi and Tiruchi between August 28 and December 12.

Tata-SIA full-service carrier 'Vistara' set to take-off in Oct

ENS Economic Bureau / New Delhi / Aug 12 2014

The Tata Group, in partnership with Singapore Airlines, announced its second venture aimed at the overcrowded Indian skies with the launch of 'Vistara' — a full service airline that is expected to start its operations by October 2014.

Headquartered in Delhi, the company will take the delivery of its first plane in September and hopes to have five planes by the end of the year. It will increase its fleet strength to 20 by the end of the fifth year of its operation.

The launch of the new carrier comes at a time when a majority of domestic airlines are bleeding and Kingfisher Airlines, with a Rs 7,000-crore debt burden, had to shut its operations.

"We are in the last lap of the process of securing

the Air Operator Permit and there are a series of approvals which we have to get to the satisfaction of DGCA," said Phee Teik Yeoh, CEO, Tata Singapore Airlines Limited (TSAL), while stating that Vistara may begin its operations in October.

After two unsuccessful attempts to form a joint venture with Singapore Airlines over two decades, the Tata Group succeeded in its third attempt in October 2013 after it received the FIPB approval for the joint venture company TSAL. This came a year after the government allowed overseas airlines to pick up a stake of up to 49 per cent in domestic carriers in September 2012.

In 2013, the Group made two announcements towards its foray into the aviation business. While it announced the purchase of 30 per cent stake in AirAsia in early 2013, it joined hands with the Singapore Airlines to form TSAL towards the end of 2013.

The largest Indian conglomerate, however, clearly seems to be putting its weight behind its full service airline where it holds a 51 per cent stake. According to information filed with the corporate affairs ministry, the new company was incorporated on November 5 with a total paid up capital of Rs 5 lakh and has been registered in New Delhi. The venture entails an initial investment of \$100 million.

Govt of Singapore buys Muthoot shares for Rs 60.35 cr

Press Trust of India / Mumbai

Government of Singapore today picked up about 35 lakh shares of Muthoot Finance for an estimated amount of Rs 60.35 crore through the open market route.

A total of 34,98,931 shares of Muthoot Finance were purchased by Government of Singapore, bulk deal information available with the stock exchanges showed.

Muthoot Finance shares were acquired at an average price of Rs 172.5 a piece amounting the transaction to Rs 60.35 crore.

At end of June-quarter, Government of Singapore held 1.18 per cent stake in Muthoot Finance

US, Singapore, UK strategically important for Indian corporates: Study

IANS Washington, August 13, 2014

Indian corporates consider the United States, Singapore, and the United Kingdom as the top three most strategically important countries for new sources of investment over the next five years, according to a new survey.

Indian corporates ranked the US as the number one country (92%), closely followed by Singapore (89%) and the United Kingdom (79%), according to BNY Mellon's Global Trends in Investor Relations Survey with an India focus; Hong Kong (76%) and India (72%) complete the top five.

In 2012, India topped the table as the most strategically important source of new investment (72%) - a slide of five places to fifth in 2013. "While Indian companies continue to raise money at home, there has been an acute shift in their geographical outlook towards international investment lately," observes Neil Atkinson, BNY Mellon's Asia-Pacific head of depositary receipts.

"Narendra Modi swept to power in India's general elections in May on the promise of reviving the country's economy. Accordingly, India could be poised for economic and financial reform which could make it easier for Indian corporates to access competitively priced international capital," Atkinson said. Results from BNY Mellon's survey show that the number one investor relations goal for companies in India over the next five years is to increase international shareholder ownership (66%). This is significantly higher than respondents worldwide that reported the same goal (46%).

"OTC non-capital-raising DRs will soon be a new channel for Indian corporates following the government's recent decision to accept the proposals made by the MS Sahoo Committee.

"This development is timely and could be significant to a large share of Indian companies seeking to increase their international ownership and with investor sentiment toward India buoyant. We may see more Indian companies using DRs to access global markets in 2015," forecasts Atkinson.

BNY Mellon's report is based on survey results from nearly 700 respondents across 63 countries that span the range of market cap and industry sectors, including financials, industrials, consumer, technology and healthcare, according to a media release.

India, Singapore firms invest \$ 51 billion in each other's markets

PTI Aug 15, 2014, 02.39PM IST

SINGAPORE: Indian and Singapore businesses lead in investing in each other's markets, tapping on business growth potential, having committed \$51 billion.

Singapore was India's largest investor last year with \$5.98 billion, or a quarter of the inflow, and \$ 26 billion accumulatively since 2000, reported *Tabla!*, an English language weekly here today. Comparatively, Indian companies have made accumulative investment of close to \$25 billion in Singapore, said the tabloid in a report on 50 years of India-Singapore Diplomatic relations.

"The Indian FDI (Foreign Direct Investment) into Singapore has grown at a whopping compounded annual growth rate of 381 per cent since 2005," said Anil Kishora, country head and Chief Executive Officer of the State Bank of India in Singapore. The investment was especially boosted by the India-Singapore Comprehensive Economic Cooperation Agreement signed in 2005.

The tabloid pointed out that Indian investment in Singapore has surpassed China's \$14.2 billion during the same time. Some 6,000 Indian companies are registered in Singapore at the latest count, making it the largest business community in the city state. Two years ago, the number was 4,000, according to Indian businessmen.

Tata Group's activities in Singapore today are a microcosmic representation of its \$100 billion ventures across 100 companies worldwide, said KV Rao, Tata's Singapore-based resident director for the Asean region. Analysts said Indian companies see a growing international business opportunities to be in Singapore, especially using it as a platform to venture into the region and the world as they globalize. Singapore is a major routing point for setting up holding companies that are used for international investment in Asia or globally, as it is an international financial centre with easier financing and refinancing schemes.

RBI Initiatives

- RBI has restored the limit on investments by Indian companies abroad. The limit stands increased to 400% of net worth as against 100% of net worth. It has, however, been decided that any financial commitment exceeding USD 1 (one) billion (or its equivalent) in a financial year would require prior approval of the Reserve Bank even when the total FC of the Indian Party is within the eligible limit under the automatic route (i.e., within 400% of the net worth as per the last audited balance sheet). The details can be seen from the following link-(<http://rbi.org.in/scripts/NotificationUser.aspx?Id=9088&Mode=0>)
- RBI has notified partly paid shares and warrants as eligible instruments for raising the Foreign Direct Investments. The operational details can be seen from the following link-(<http://rbi.org.in/scripts/NotificationUser.aspx?Id=9095&Mode=0>)
- RBI has streamlined the pricing of FDI instruments and have accepted any internationally accepted valuation methodology for pricing the instruments rather than prescribed valuation norms earlier. The norms relating to listed securities have remained same. The detailed circular can be seen from the following link-(<http://rbi.org.in/scripts/NotificationUser.aspx?Id=9106&Mode=0>)

Union Budget 2014-15

- The government of India has announced its budget for 2014-15.
- The overview of railway budget 2014-15 can be seen from the following link-(<http://pib.nic.in/archieve/rbudget2014highlight.htm>)

Other reforms:

- The Ministry of Environment & Forest has initiated online approvals of forest clearances-(<http://forestsclearance.nic.in/>)
- MoU has been signed with China for setting up China Industrial Parks-(<http://pib.nic.in/newsite/PrintRelease.aspx?relid=107257>)

Notifications

Securities and Exchange Board of India

Change in Government Debt Investment Limits

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1406122737412.pdf

SEBI (Foreign Portfolio Investors) Regulations, 2014

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1389083605384.pdf

Ministry of Corporate Affairs

Clarification on applicability of requirement for resident director

http://www.mca.gov.in/Ministry/pdf/General_Circular_25_2014.pdf

Mapping of e forms prescribed under the Companies Act, 2013 with e forms prescribed under Companies Act, 1956

<http://www.mca.gov.in/Ministry/pdf/eformsMapping.pdf>

Reserve Bank of India

Foreign Direct Investment (FDI) in India - Issue/Transfer of Shares or Convertible Debentures - Revised pricing guidelines

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9106&Mode=0&utm_source=Bulletin+20140724&utm_campaign=BizJournalJuly2414&utm_medium=email

Foreign Portfolio Investor - investment under Portfolio Investment Scheme, Government and Corporate debt

<http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=8787&Mode=0>

Ministry of Finance

Clarification regarding Acquisition & Transfer of Immovable Property in India by Foreign Nationals

http://finmin.nic.in/press_room/2014/clarification_Acquist_Transfer_Property_foreignnationals.pdf

Celebration of 68th Independence Day

68th Independence day of India was celebrated by the Mission at the High Commission premises today. The High Commissioner unfurled the national tricolor at 9 am in the presence of around 700 Indian nationals, persons of Indian origin and friends of India followed by reading of President's message to the Nation. Children from seven Indian schools in Singapore presented a colorful programme consisting of patriotic songs and dances. The programme lasted one and a half hours.



FORTHCOMING EVENTS >>>> INDIA

I. India International Road & Transportation Fair (IIRTF)

Date: 17-19 September, 2014

Venue: Pragati Maidan, New Delhi, India

Organizer: CSIR-Central Road Research Institute along with India Trade Promotion Organization

Contact : <http://www.iirtf.in/>

Details: IIRTF is planned to introduce the road & transportation fraternity to the latest advancements and to embrace the technological growth at the global level. Highlights:

- IIRTF is likely to be the biggest event in the road and transportation sector in India.
- High Infrastructure development market in India
- Key agencies are associated
- Audience from government agencies who decide on projects and oversee execution
- Awareness about new technologies and materials
- Business networking & catalysing growth in execution of multi-billion dollar infrastructure industry

II. KNOWLEDGEXPO 2014

Date: 20-22 November, 2014

Venue: India Expo Centre, Greater Noida, India

Organizer: The Confederation of Indian Industry

Contact : www.ciiknowledgexpo.in or contact the following:

(i) Mr. Anjan Das (anjan.das@cii.in) (ii) Ms. Neerja Bhatia (neerja.bhatia@cii.in)

Details: The expo will be a multilateral event, bringing together five concurrent summits; separate workshops for institutes, for faculty and students; B2B meetings; G2G meetings; knowledge Guru talks; and award ceremonies. It would provide a platform for technology transfers, business meets and joint ventures through opportunities for networking. Keeping this in view, Director General of Confederation of Indian Industry (CII), Mr. Chandrajit Banerjee has written to this Mission to invite participation from Singapore at the Knowledgexpo 2014. The event will serve as a global knowledge partnership platform for enhancing knowledge intensive trade and investments.

TENDER NOTICES >>>> INDIA

Tender invitation for:

Supply of Slim-Hole Digital Geophysical Logging System along with all necessary surface modules, Down-hole tools and accessories

Mineral Exploration Corporation Limited , URL: www.mecl.gov.in

Closing Date : 21 August, 2014

India ranked No. 8 on global list of multimillionaires

TNN / Aug 6, 2014, 01.42AM



India has more multimillionaires than Australia, Russia and France.

The latest wealth index by New World Wealth that looks at multimillionaires — an individual with net assets of at least \$10 million — has ranked India eighth in the global rich list, below countries such as the US, China, Germany and the UK but above Singapore and Canada.

India is home to 14,800 multimillionaires. Mumbai is home to the highest number of them — 2,700, as many as that in Munich. Mumbai is the only Indian entry in the top 30 cities for multimillionaires. Hong Kong is the city with the largest number of multimillionaires (15,400), followed by New York (14,300), London (9,700), Moscow (7,600), Los Angeles (7,400) and Singapore (6,600).

Over the past 10 years, millionaire and multimillionaire numbers have grown at vastly different rates. Millionaire numbers worldwide have gone up by 58% during this period, whilst multi-millionaire numbers have gone up by 71%.

The fortnightly FAQs will broadly cover the following areas

- I. Foreign Direct Investment*
- II. Foreign Technology Collaboration Agreement*
- III. Foreign Portfolio Investment*
- IV. Investment in Government Securities and Corporate debt*
- V. Foreign Venture Capital Investment*
- VI. Investment by QFIs*

I. Foreign Direct Investment (FDI)

Q. What are the guidelines for transfer of existing shares from non-residents to residents or residents to non-residents?

Ans. B. Transfer of shares from Resident to Non Resident:

i) where the transfer of shares requires the prior approval of the FIPB as per the extant FDI policy provided that :

- a) the requisite approval of the FIPB has been obtained; and
- b) the transfer of share adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.

ii) where SEBI (SAST) guidelines are attracted subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.

iii) where the pricing guidelines under the Foreign Exchange Management Act (FEMA), 1999 are not met provided that:-

The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.;

The pricing for the transaction is compliant with the specific/explicit, extant and relevant SEBI regulations / guidelines (such as IPO, Book building, block deals, delisting, exit, open offer/ substantial acquisition / SEBI SAST); and

Chartered Accountants Certificate to the effect that compliance with the relevant SEBI regulations / guidelines as indicated above is attached to the form FC-TRS to be filed with the AD bank

iv) where the investee company is in the financial sector provided that :

The FDI policy and FEMA regulations in terms of entry route, sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc., are complied with. *(to continue in next issue)*

Source: RBI

For Feedback & Comments, please contact:

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