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BILATERAL

Visit of Andhra Pradesh Chief Minister Mr Nara Chandra Babu Naidu to Singapore

Andhra Pradesh Chief Minister Mr Nara Chandra Babu Naidu led an official & business delegation to Singapore from 12-14 November, 2014. In Singapore the Chief Minister called upon Mr. S Iswaran, Singapore's Minister of Trade and Industry, Mr. K Shanmugam, Foreign Minister and Mr Goh Chok Tong, Emeritus Senior Minister.

The visiting delegation made site visits to Marina Bay & Centre for Liveable Cities, Housing Development Board , Building and Construction Authority, PSA JTC & ITE . The visiting delegation participated in a CEO round table meeting organized by High Commission of India and IE Singapore, as also in a business luncheon which was jointly organized by the High Commission and ISAS.

TOP NEWS » ECONOMY

Govt in final stages of discussions with states on GST: FM Arun Jaitley

PTI | New Delhi | November 9, 2014

Hinting that amendments to the Goods and Services Tax (GST) may be introduced in the ensuing Winter session of Parliament, Finance Minister Arun Jaitley today said the government was in the final stages of talks with states on the issue."I am in the last stage of my discussion with the states on the eve of Parliament session before introducing the amendments to the GST law in Parliament," Jaitley said at the India Global Forum meeting here.The month-long Winter Session of Parliament is scheduled to commence on November 24.

The Goods and Services Tax (GST) regime aims at subsuming most of the indirect taxes at the central as well as state level. The UPA government in 2011 introduced a Constitution Amendment Bill in the Lok Sabha to pave the way for introduction of GST.GST, he had said, would streamline tax administration and avoid harassment of business and result in higher tax collection both for Centre and states.

Jaitley promises fair, transparent business environment

PTI, November 5, 2014

Committing to more reforms and eliminating corruption, Finance Minister Arun Jaitley said steps taken by the new government were aimed at creating fair and transparent business environment and ending crony capitalism. The government was also looking at areas like labour reforms, privatisation of some state-owned companies and improvement of land acquisition laws, the Minister said, while adding that the reforms can't be just "one sensational idea."

"You can damage the economy by one bad idea. Retrospective taxation is one bad idea that damaged the economy," Mr. Jaitley said while speaking at the India Economic Summit here.

Recalling the steps taken by the NDA government to deal with coal block allocation problems, Mr. Jaitley said, as a result "the element of discretion in the hands of the state has almost disappeared and hence once you take decision of these kinds (it will) eliminate the possibility of corruption, collateral consideration or crony capitalism as you call it."

The investors, he added, could look for a system "which is fair. Not a system on which they have to entirely depend on the largesse of politicians and ministers." Similar reforms, he said, would be undertaken for allocation of natural resources and other minerals. ***Cont on P.2***

*Cont from P. 1..*Reforms, Mr. Jaitley said, “is a long journey. Some people expect that the second generation of reforms in India really needs one or two big bang ideas that probably is not the answer.”

The Minister said that merely undoing wrongs of past would not cure all our problems. “So we began on a journey and I believe that the pit was reasonably deep. And therefore rectifying it will require a lot of time.”

The Summit is being organised by Geneva-based World Economic Forum (WEF) and industry chamber CII.

‘Look East’ policy now turned into ‘Act East’ policy: Narendra Modi

PTI | Nay Pyi Taw | November 13, 2014

Prime Minister Narendra Modi told world leaders that his government accorded high priority to turn India’s erstwhile “Look East” policy into an “Act East” policy.

“Since entering office six months ago, my government has moved with a great sense of priority and speed to turn our ‘Look East Policy’ into ‘Act East Policy’,” Modi said in his address to the East Asia Summit in the Myanmarese capital Nay Pyi Taw.

“The East Asia Summit is an important pillar of this policy,” he said.

“Look East” was introduced in the early 1990s when the Congress party’s PV Narasimha Rao was prime minister. It was endorsed by former prime ministers Atal Bihari Vajpayee and Manmohan Singh.

Modi said the initiatives taken by the East Asia Summit in disaster preparedness and response are truly commendable.

“No other forum brings together such a large collective weight of global population, youth, economy and military strength. Nor is any other forum so critical for peace, stability and prosperity in Asia-Pacific and the world,” he said.

The one-day summit was attended by a galaxy of world leaders including US President Barack Obama, Russian Premier Dmitry Medvedev and Chinese Premier Li Keqiang.

Moody's sees sustained, robust growth in India in next 2 yrs

PTI | Mumbai , November 10, 2014

International ratings agency Moody's today said it expects India to witness "sustained robust growth" over the next two years.

"We expect sustained robust growth in the US, Britain and India over the next two years," Moody's Investors Service said in its quarterly Global Macro Outlook report issued in London.

The agency has a "Baa3" rating with a stable outlook on India, which is the lowest in the investment grade.

Its peers S&P and Fitch had flagged concerns over falling growth, high inflation, the high fiscal and current account deficits and a sense of 'political paralysis', among other factors and had also threatened to downgrade the country to junk status.

However, with the economic conditions improving, the country has been able to convince all the rating agencies' concerns and both S&P and Firch have upgraded their respective outlooks now.

In an earlier note, Moody's had said it expected GDP growth to touch 5 per cent in 2014 and accelerate in 2015. The country had two consecutive fiscals of sub-5 per cent growth, and the prospects have been looking up since the June quarter, when GDP growth accelerated to 5.7 per cent.

However, there are concerns that the number will slip to around 5 per cent due to a weak industrial growth. RBI Governor Raghuram Rajan had called the process of recovery as "uneven".

At the global level, Moody's said the US growth was likely to accelerate as pent-up consumer and investment demand is realised. For the G-20 economies, it is expecting a GDP growth of around 3 percent in 2015 and 2016, after notching up 2.8 percent in 2014.

Railways allows 100% FDI in setting up of bio-toilets, laundry facility

PTI | Nov 12, 2014, 10.51PM IST

NEW DELHI: Railways has identified toilets as one of the 17 special areas where 100 per cent foreign and private investment can bring about major investments.

According to the guidelines approved by the government under its FDI policy, 100 per cent FDI can be utilized in facilities like cleaning up trains and installation of bio-toilets in passenger coaches and setting up of mechanized laundry facilities.

It is a step forward to invite private and foreign investment in the Railways as new areas have been identified for FDI, said a senior railway ministry official, adding that "total 17 areas are now thrown open under the guidelines".

A committee constituted by Railway ministry to finalize the policy has also suggested a set of business models to attract investments. Besides bio-toilets, cleaning operation and mechanized laundries, the areas identified by the committee for FDI include construction, maintenance and operation facilities to supply non-conventional sources of energy to the Railways, installation and maintenance of bio-toilets in passenger trains, setting up of technical training institutes, testing facilities and laboratories and providing technological solutions to improve safety.

Earlier, the government had relaxed the FDI norms permitting 100 per cent investment in rail projects, such as high-speed trains, suburban service, dedicated freight corridors, freight and passenger terminals

The FDI is also being permitted for rail route electrification, signalling system and logistics parks.

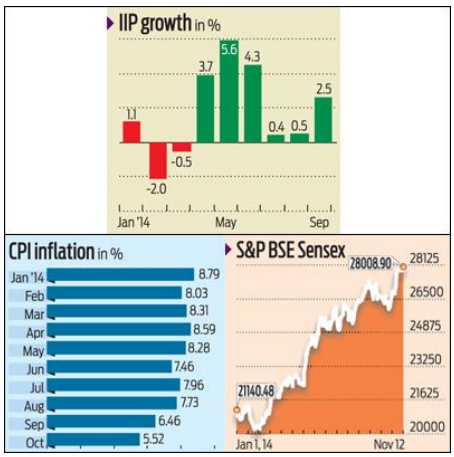
The committee has suggested three business models for high-speed train projects including projects where there are limits on operations and a firm wants to invest in upgrading the existing rail network for speed above 120kmph or semi-high speed network.

In dedicated freight lines, the Railways has permitted operations by investors, subject to certain conditions.

The government has now allowed mechanized laundry facilities to be set up on public-private partnership (PPP) basis. It also suggested some freight lines — new and doubling — that could be taken up on PPP basis.

Cooling inflation, rising IIP brighten India outlook

Thursday, 13 November 2014 ,Mumbai | Agency: DNA



The Index of Industrial Production (IIP) climbed more than five times to 2.5% while the Consumer Price Index (CPI) cooled to 5.52% from 6.46% reported in September. IIP came in at a higher than expected 2.5% versus 0.5% in August, driven by a positive growth in capital goods sector. In a major turnaround, the capital goods sector grew 11.6% as against a negative 11.3 % in August.

The retail inflation for October slowed to 5.52% from 6.46% in September helped by the lower fuel and food prices.

Spreading cheers in India's domestic market, global oil prices continued to slide, with benchmark Brent crude hitting a four-year low of $81 a barrel.

"A significant decline in crude oil prices globally has contributed to the downward price pressures in transport and communication and fuel inflation. Crude oil prices for the Indian basket ended

the October month at $83.8 per barrel as compared to $95.3 per barrel at the beginning of the month. We expect this to continue going forward and crude oil prices globally to average at $100 per barrel in this fiscal as compared to $105.5 in 2013-14," said Crisil.

In terms of industries, 15 out of the 20 two industry groups in the manufacturing sector have shown positive growth during September as compared to the corresponding month of the previous year. The consumer durable goods growth was at a negative 11% versus a negative 15 % in August. Consumer goods growth came in at negative 4% as against negative 6.9% in August. The consumer non-durables growth stood at 1.5% versus a negative 0.9% in August. Other rating agency ICRA however estimated GDP growth to decline to 5% during July-September from 5.7% in April-June, on the back of factors such as an unfavourable kharif harvest, sluggish manufacturing performance, slowdown in export growth and moderation in the pace of expansion of central government spending.

Nevertheless, average GDP growth is expected to improve moderately to 5.4% in 2014-15 from 4.7% reported in the previous year," says ICRA.

The rating agency predicts the retail inflation to moderate, benefiting from a favourable base effect, a decline in domestic fuel prices and, to a smaller extent, easing global prices of other commodities.

Cabinet nod not needed for projects under Rs 1,000 crore

The Financial Express, New Delhi | November 14, 2014

The Narendra Modi government has decided that only schemes and projects worth over Rs 1,000 crore require the approval of the Union Cabinet or the Cabinet Committee concerned.

The decision is expected to significantly cut down the number of proposals that require Cabinet approval and lead to quicker decision-making at the ministry level. Earlier, projects worth Rs 300 crore and above required Cabinet clearance.

The government has also substantially enhanced the financial powers of ministers and secretaries when it comes to clearing public funded plan schemes and projects. Secretaries were earlier authorised to approve projects worth less than Rs 25 crore, but have now been empowered to clear projects of up to Rs 100 crore. The secretaries, however, will have to approve these projects "in consultation with (the) Financial Advisor''. Similarly, ministers who were earlier authorised to approve projects ranging from Rs 25 crore to Rs 150 crore have now been allowed to clear projects from Rs 100 crore to Rs 500 crore.

MORE POWERS FOR QUICKER DECISIONS

	EARLIER	NOW
Secretary	Less than Rs 25 crores	Up to Rs 100 crores
Minister-in-charge	Rs 25 crores to less than Rs 150 crores	More than Rs 100 crores and up to Rs 500 crores
Minister-in-charge and Finance Minister	Rs 150 crores to less than Rs 300 crores	More than Rs 500 crores and up to Rs 1,000 crores
Cabinet/Cabinet Committee	Rs 300 crores and above	More than Rs 1,000 crores

The minister-in-charge and the Finance Minister have been authorised to decide on approvals for projects in the Rs 500 crore to Rs 1,000 bracket, except in cases where special powers have been delegated by the Finance Ministry. Earlier, only projects between Rs 150 crore to Rs 300 crore were decided by them.

The Rs 1,000 crore-plus norm will apply for all Cabinet-level clearances, except in cases "where special thresholds have been laid by the Cabinet/ Committee of the Cabinet''.

A recent example of how these new guidelines have impacted the decision-making process is a Rs 597-crore proposal to set up the National Film Heritage Mission (NFHM) that is now being cleared by the Information & Broadcasting ministry. The government has also decided that all schemes and projects which involve setting up of new companies, autonomous bodies, institutions/ universities, and special purpose vehicles, etc, would be appraised by the Expenditure Finance Committee (EFC) chaired by Secretary (Expenditure). This appraisal would be conducted irrespective of the outlay or the nature of the ministry/department, and all such cases would need to be approved at the level of the Cabinet or a Cabinet Committee.

Modernising India: Modi govt makes digital dash, e-gaon every mile

Hindustan Times *New Delhi, November 12, 2014*

The government is gearing up for its next big mission, a Rs. 113,000-crore plan that aims to usher in a ***...Cont on P. 7***

'India's FDI regime is among most liberal in world today'

Nov 12, 2014, 09.42 PM IST | Source: CNBC-TV18

CNBC-TV18 spoke with secretary of the department of industrial policy and promotion Amitabh Kant, who discussed the government's actions on FDI and liberalization and outlined the growth ahead. Below is the transcript of Amitabh Kant's interview with CNBC-TV18's Shereen Bhan.- Excerpts

Q: The government has opened up railway FDI, it has eased the foreign investment norms for defence and construction FDI. What are the other sectors where we can expect more FDI liberalisation and even in the ones where we have actually seen liberalisation being cleared, what kind of dollar surge do you anticipate?

A: The government has done a lot. This government has really in the last 150 days brought in major radical changes. It has brought in 100 percent FDI in railways – operation, maintenance and construction of a vast range of infrastructure in the rail sector, which was unheard of, quite unbelievable, about six months back.

It has opened up the defence sector, it has deregulated almost 60 percent of the items, it has taken FDI regime in defence from 26 to 49 percent and in modernisation of state-of-the-art cases you can go up to 100 percent. It has fully liberalised the construction sector and it is on the verge of liberalising the insurance sector. So, the Indian FDI regime is extremely liberal, it is probably the most liberal FDI regime anywhere in the world today.

Q: Have you started getting queries on defence and rail FDI proposals. I know that some investments have already been cleared by the DIPP specifically when it comes to defence but what about rail in specific?

A: In last meeting itself we cleared something like 21 proposals for defence manufacturing. So, you will see a big movement forward as we go along in the next 8-10 months.

Q: Let me ask you about the ease of doing business. India's position in the ease of doing business index has slipped in the last report. Of course the report does not take into account the period up to May this year. The DIPP I know has initiated several measures to improve the ease of doing business, what else is the government planning in the coming months?

A: We have taken the challenge given by the prime minister that India must radically improve its position. We have worked very closely across ministries, we have done a lot of business process reengineering, we have brought everything online, we have done away with human intervention in a large number of cases.

We are converging with other departments and we are spreading this revolution to the states and you will see the results during the next years study. I am sure India's position will very significantly come down.

Q: I also wanted to ask you about the single-window system which will be critical to improving the ease of doing business. By when do we expect the single window system to be in place? We understand it may have run into certain troubles?

A: E-biz is already fully functional as far as the department of industrial policy is concerned. You can get industrial licence and industrial entrepreneur memorandum filing within 24 hours. We are integrating this with the department of company affairs and with the ministry of finance and you will see the results by the end of December.

Q: Let me ask you about investor perception, several foreign pharma companies for instance have maintained that India has a weak IPR regime. Is that likely to impact investments and is the government willing to negotiate at all as far as the IPR regime is concerned?

A: India's IPR regime is fully TRIPS compliant. We are very clear about that we believe in intellectual property rights. We want to be extremely aggressive about it but we are also clear that we are fully TRIPS compliant. This policy of intellectual property was fully debated, discussed by our parliament before the intellectual property act was passed. If there are any concerns in fact to the contrary we have received a lot of praise for our intellectual property regime from across the world. In case some pharma companies have any dispute we are always there to discuss, debate with them through a process of debate and discussion through a bilateral mechanism.

India 'only major economy' to see improved momentum: OECD think-tank

PTI | Nov 12, 2014, 06.35PM IST

LONDON: India is the "only major economy" that is projected to see a pick up in growth momentum whereas mixed trends are predicted for the developed world, Paris-based think-tank OECD said on Wednesday. Most of the major economies, developed and developing, including the United States, Brazil, China and Russia, are expected to witness stable growth momentum. The Organisation for Economic Cooperation and Development (OECD) said indicators point to weak growth in Europe. The readings, for the month of September, are based on Composite Leading Indicators (CLI) that are designed to anticipate turning points in economic activity relative to trend."India is the only major economy where the CLI points to a pick-up in growth momentum," OECD said in a statement.

In September, CLI for India touched 99.1, the highest since May this year when it stood at 98.6. In August, the same was at 99. Last month, the International Monetary Fund and the World Bank projected 5.6 per cent growth rate for India this year, citing renewed confidence in the market due to a series of economic reforms pursued by the new government. India's economic growth was below 5 per cent in the last two financial years.

Recently, the Reserve Bank of India (RBI) forecast Indian economy to grow at 5.5 per cent in 2014-15 and at 6.3 per cent in next financial year 2015-16. During the April-August period of 2014-15, industrial output growth as measured by Index of Industrial Production (IIP) was at 2.8 per cent, as against flat production in same period of the previous fiscal.

Earlier this week, minister of state for finance Jayant Sinha expressed confidence that the country's GDP growth would cross 6 per cent in the next financial year (2015-16). OECD said that CLI points to growth losing traction in Japan even though such a trend may be related to one-off factors. "Within the Euro area, the CLI continues to point to a loss of growth momentum, with stronger signals of a slowdown in the case of Germany and Italy. "In France, however, the outlook continues to suggest stable growth momentum," it said.

India's GDP to grow at 6.3 per cent in 2015: Morgan Stanley

PTI | Singapore | November 14, 2014 10:14 am

India would have the fastest economic expansion among Asian countries and its gross domestic product is expected to grow by 6.3 per cent in 2015, according to Morgan Stanley forecasts of global economies.

The Indian rupee's exchange rate to USD would be at Rs 62.2 by end of next year compared to Rs 62 in the current quarter (Q4 this year), according to a presentation made at the Morgan Stanley's Annual Asia Pacific Summit held here from November 12-14 said.

It is seen at Rs 62.5 in the first two quarters of next year and Rs 62.3 in the third quarter of next year.

Comparative to other Asian GDP growths, India would have the fastest economic expansion, it said.

India's gross domestic product is expected to grow by 6.3 per cent in 2015, up from 5.3 this year, it said."We are constructive on the INR from the outlook perspective," Chetan Ahya, Morgan Stanley's Chief Asia Economist, told PTI. The Indian government's policy action to improve business environment and lower oil prices are among the factors supporting the GDP growth, Ahya said.

Structural reforms related to land, labour and tax supporting the economic growth would support economic growths in the coming years. The risk would be any disruption to execution and delivery of reforms as well as a slowdown in exports, he pointed out.

*Cont from P. 4..*digital revolution by moving everything online, from education to public services to bureaucracy.

Aptly called 'e-kranti', it comes under the Narendra Modi government's 'Digital India' initiative and is quite simply the world's most ambitious broadband project — but one that will have to overcome countless hurdles, big and small. It seeks to provide digital access to all citizens, from the rural and elderly to the poor, according to the government blueprint that HT has viewed.

As a rapidly modernising India embarks on a drive to move governance online, bridging the so-called digital divide is essential. State entitlements, such as pensions, and public services, such as passports, will move to cloud, a computing term for universally accessible online storage space.

The public distribution system (PDS) that supplies subsidised foodgrains under the National Food Security Law will be completely integrated with Aadhar, the cradle-to-grave digital identity card that every Indian must have. Karnataka, Andhra Pradesh and Chhattisgarh already have online PDS systems.

None of this can happen without expanding digital access. So, the Centre aims to expand its rural internet coverage to 250,000 villages by 2017 from the existing 130,000. In two years, 150,000 post offices will be transformed into multi-utility centres (providing a range of government services, banking for instance, and not just postal services). Some 250,000 government schools will get broadband and free WiFi and all schoolbooks will have e-versions.

BANKING/FINANCE

RBI tightens norms for NBFCs

PTI

Tightening norms for non-banking financial companies (NBFCs), the Reserve Bank of India on Monday raised the capital adequacy requirement and the net owned fund limit, among others, with an objective to mitigate risks in the sector.

With a view to streamlining the regulations for the sector, the RBI also revoked temporary suspension on issuance of Certificate of Registration (CoR) to companies that want to conduct business of non-banking financial institution (NBFI).

As per the latest directives, the RBI has raised the limit for NBFCs to maintain the net owned fund (NOF) requirement to four times by 2017 to Rs.2 crore.

At present, the NOF requirement is at Rs.25 lakh. In a phased manner, the NBFCs would be required to raise it to Rs.1 crore by March, 2016, and to further double it to Rs.2 crore by 2017.

"NBFCs failing to achieve the prescribed ceiling within the stipulated time period shall not be eligible to hold the CoR (Certificate of Registration) as NBFCs. The bank will initiate the process for cancellation of CoR against such NBFCs," it said in a notification.

Also, NBFCs primarily engaged in lending against gold jewellery, will have to maintain a minimum Tier I capital (or equity capital) of 12 per cent with effective from April 1 as against existing requirement of 10 per cent.

For deposit and non-deposit taking NBFCs, Capital to Risk (Weighted) Assets Ratio or CRAR, which includes Tier I capital of 7.5 per cent, is 15 per cent at present.

However, as per the new norms, NBFCs have to raise the Tier I capital to 8.5 per cent by end of March 2016 and 10 per cent by March, 31, 2017.

Towards provisioning of standard assets, the RBI said that NBFCs would be required to raise it to 0.3 per cent by end of March 2016; 0.35 per cent by March 2017 and to 0.4 per cent by end of March 2018.

Presently, every NBFC is required to make a provision for standard assets at 0.25 per cent of the outstanding.

In the interest of harmonisation, the asset classification norms for NBFCs-ND-SI and NBFCs-D will be brought in line with that of banks, the RBI said. "At present, an asset is classified as non-performing asset when it has remained overdue for a period of six months or more for loans; and overdue for twelve months or more in case of lease rental and hire purchase instalments, as compared to 90 days for banks."

For NBFCs-ND with an asset size of less than Rs.500 crore, the RBI said they shall not be subjected to any regulation either prudential or conduct of business regulations, example, Fair Practices Code (FPC), KYC, if they have not accessed any public funds and do not have a customer interface. Also, those having customer interface will be subjected only to conduct of business regulations including FPC, KYC, if they are not accessing public funds.

"Those accepting public funds will be subjected to limited prudential regulations but not conduct of business regulations if they have no

customer interface...Where both public funds are accepted and customer interface exist, such companies will be subjected both to limited prudential regulations and conduct of business regulations," the RBI said.

Kerala, Goa see 100% Jan Dhan cover

TNN | Nov 15, 2014, 12.42AM IST

NEW DELHI: Kerala, Goa, union territories of Chandigarh, Puducherry, Lakshadweep and three districts in Gujarat have reported 100% coverage of households by opening at least one account under the Prime Minister's Jan Dhan Yojana. The number of accounts opened under the scheme as on November 10 shot up to 7.24 crore, of which 4.29 crore were in rural areas and 2.95 crore in urban areas. A government statement said RuPay cards have been issued for nearly 4 crore accounts.

The three districts of Gujarat which have covered all households with at least one account are Porbandar, Mehasana and Gandhi Nagar. Earlier this month, TOI had reported that the Pradhan Mantri Jan Dhan Yojana has so far managed to bring over Rs 5,000 crore into the formal banking system as account holders started depositing cash. A large chunk of this money would have been kept at home in the absence of accounts, with little or no productive use.

The government is now close to its target of opening 7.5 crore bank accounts under the scheme launched on August 29. Authorities were looking to achieve the target before January 26, 2015, well ahead of the earlier schedule of August 15, 2015. The finance ministry is now looking at doubling the target to open 15 crore accounts, an official had told TOI earlier this week. Banks have been asked to undertake information and education campaign to raise awareness as the government steps up the coverage under the financial inclusion programme.

Hasmukh Adhia, secretary, department of financial services, who recently took charge of the crucial post, reviewed the progress PMJDY with state-level banking committees and conveners of all states. The meeting emphasized the need to involve the state government machinery for successful implementation of the ambitious programme.

The department of financial services is urging banks to speed up issuance of RuPay Debit Cards, e-KYC based account opening, Aadhaar Seeding and Financial Literacy.

According to the initial results, on an average about 80% of the households surveyed have now got at least one bank account and 83% of the survey work has been completed. Banks have been given a deadline of November 20 to complete the survey. In order to incentivize bankers, a scheme for rewards has been set up. Banks have also been asked to be ready for the rollout of the modified direct benefit transfer scheme, set to be launched on November 15.

MARKETS

FPIs infuse Rs 5,200 crore in Indian capital market in a week

PTI, 9 November, 2014

Overseas investors have pumped in close to Rs 5,200 crore in capital markets in first week of the month on positive global cues coupled with government's reforms agenda.

The net investments by foreign investors in the equity market were Rs 4,412 crore (USD 718 million) from November 3-7, while they infused a net amount of Rs 765 crore (USD 125 million) in the debt market during the period, taking the total to Rs 5,177 crore (USD 843 million), as per the latest data.

Market analysts said that overseas investors (foreign Institutional Investors, sub-accounts or foreign portfolio investors) are betting on hopes that European Central Bank (ECB) may announce stimulus measures to revive growth in Eurozone economies. Besides, Japan has already announced plan to expand its additional stimulus package.

Moreover, foreign investors are betting on India on account of the reforms agenda of the Central government. Since the beginning of the year, foreign investors have made a net investment of Rs 2.23 lakh crore (USD 37 billion) into the country's securities market. This includes a net investment of Rs 86,678 crore in equities and Rs 1.37 lakh crore into debt market. The strong inflows in the recent months have taken the cumulative net investments of FIIs into India to USD 208 billion, while their investments in rupee terms is Rs 10.14 lakh crore. This is based on the data since November 1992 when the FIIs began investing into Indian markets and includes about USD 160 billion investments into equities and further about USD 47 billion in debt markets.

Top private equity firms step up India investments

***Livemint**: November 13, 2014*

Mumbai: Marquee private equity (PE) firms, which include Temasek Holdings Pvt. Ltd, Warburg Pincus India Pvt. Ltd and KKR and Co. Llp, have stepped up their pace of investments in India although they continue to lag non-traditional investors like SoftBank Corp. and Tiger Global Management Llc, which have been more active so far this year.

PE firms had invested $8.4 billion in India between January and September, as against $7.8 billion in 2013, according to Grant Thornton, a consultancy. In terms of volume of deals, 2014 has already seen a 38% jump compared with the previous year.

However, investments so far have been dominated by those looking at newer sectors like e-commerce. Softbank leads the tally of investors with an investment of $837 million, while International Finance Corp, an arm of the World Bank, has invested $822 million. Tiger Global has led investments of $1.7 billion but this data includes the amount invested by its co-investors.

The three firms did not respond to emails sent on Tuesday.

However, activity from the big three PE firms has picked up in recent months. Warburg Pincus, for instance, announced three deals in October, when it invested in Kalyan Jewellers, Laurus Labs Pvt. Ltd and Cartrade.com. Warburg invested Rs.1,935 crore across these three deals.

Apart from the three new deals, the firm gave additional funding to existing portfolio companies including Capital First Ltd, Au Financiers (India) Pvt Ltd and Quikr India Pvt Ltd. Warbug gave an additional Rs.128 crore to Capital First but details of additional investments made in other portfolio firms were not available.

"Warburg Pincus has been an active investor in India over two decades, partnering with high quality entrepreneurs and distinctive management teams to build durable businesses. The firm has continued to invest in India through the peaks and troughs of the economic cycle," Niten Malhan and Vishal Mahadevia, co-heads and managing directors at Warburg Pincus India, wrote in response to an email query.

"As the growth and investment climate in India improves, we are well-resourced to continue and further scale the pace of investments," they wrote.

Singapore-based Temasek has announced two investments since May, including an investment in online marketplace Snapdeal.com. Temasek, along with Blackrock Financial Management, PremjiInvest and others, put in $100 million into snapdeal.com.

More recently, on Monday, Temasek acquired 10.16% in privately held Ahmedabad-based company Intas Pharmaceuticals Ltd from its existing PE shareholder ChrysCapital Management Co. Temasek did not disclose the amount it has invested in the company. On 10 November, Mint reported that the deal was valued at Rs.880 crore.

"This has been one of our most active years for investments, including India. As a long term investor, India remains a key destination for our investments and we continue to be optimistic about its long term growth story and potential," said Ravi Lambah, senior managing director, investment, co-head, India for Temasek.

BUSINESS

Singapore's Temasek buys 10.16 pct stake in India's Intas Pharma

Reuters | Mumbai | November 10, 2014 8:54 pm

Singapore's Temasek Holdings has bought a 10.16 percent stake in Intas Pharmaceuticals, a privately-held Indian drugmaker, Intas said on Monday.

Temasek bought the stake through a secondary purchase of shares from private equity firm ChrysCapital, according to the statement. The financial terms of the deal were not disclosed.

Temasek, the Singapore state investor, last month agreed to invest over $80 million to buy a stake in the operator of KFC, Pizza Hut and Costa Coffee chains in India.

India's e-commerce industry booms, public listing next (Industry Focus)

IANS | New Delhi ,November 2, 2014

After foreign investors injected some mega millions into India's e-retail companies in recent months, including the $627 million for SnapDeal by Japan's Softbank, public listing of shares and consolidation are seen as next big developments for this booming industry, seen as a $100 billion market in five years.

This, industry experts said, is not only to realise

value for these companies but also to raise the $500 million that's seen as the immediate funding needed for infrastructure, logistics and warehousing, which could go up to a whopping $950 million to $1.9 trillion by 2017.

"Public listing will take place for these e-commerce companies shortly. It could happen even in the next three-four months," said Saurabh Srivastava, director-operations with PricewaterhouseCoopers.

"The demand in the e-commerce space will remain on the higher side in India. There will be also some consolidation in the e-tailing space with some mergers and acquisitions on the cards," Saurabh Srivastava, told IANS.

Wind energy sector in India expected to attract Rs 20,000 crore of investments

***The Economic Times**: November 05, 2014*

New Delhi: India's sluggish wind energy market is set for a revival following the restoration of a depreciation incentive, which is expected to attract about Rs 20,000 crore of investments next year as companies across sectors add 3,000 MW of capacity powered by this renewable source of energy.

The reintroduction of accelerated depreciation (AD), which was withdrawn in 2012, is poised to support equipment manufacturers, including Suzlon Energy Ltd, the country's largest wind turbine maker, which received 150 MW of orders soon after the benefit was brought back.

"Investment of Rs 20,000 crore is expected in the next fiscal year, with 70% coming as debt. Rs 5,000-6,000 crore can come from equity. Keeping the potential of wind energy in mind, it's still not big money," Chintan Shah, President (Strategic Business Development) at Suzlon, told ET.

Accelerated depreciation allows a higher level of an asset's value to be written off in the first few years, reducing taxable income. The government proposed reintroducing the benefit in July. Wind power accounts for the biggest chunk of India's renewable energy capacity. Reinstatement of AD makes wind energy attractive for captive use by companies and some even want to hive it off as a separate business unit due to stable long-term returns.

Burger King tests India waters, starts with 12 outlets

Reuters | Nov 8, 2014, 03.40PM IST

MUMBAI: US fast food chain Burger King Worldwide will open about 12 outlets in India over the next 60-90 days, Rajeev Varman, chief executive of the hamburger chain's India unit said on Saturday.

The chain announced last year a tie-up with the Everstone Group to develop the Burger King brand presence in the country.

In India, the hamburger chain has changed its menu to sell mutton, chicken and veggie sandwiches. "In the long run, India is going to be one of the largest markets globally. Burger King most certainly sees India as one of the biggest opportunities in the future," Varman said ahead of the chain's first store opening in New Delhi.

Burger King is a late entrant in the country. Rival McDonald's Corp has been around for close to two decades and has already grown its network in tier two and three cities.

"Turkey, China and Russia are each growing by around 100 restaurants a year. Here in India, we will set up our first few restaurants and use that to fine-tune our operating model before determining our growth plans," Varman said in an email.

Hon'ble Minster of Urban Development Sh. M. Venkaiah Naidu visits Singapore

Hon'ble Minster of Urban Development Sh. M. Venkaiah Naidu's meeting with Singapore Prime Minister Mr Lee Hsien Loong & Emeritus Senior Minister Mr. Goh Chok Tong

Singapore shows interest in developing a new smart satellite city in India

Committees to be set up to firm up specific areas of cooperation in urban sector

Shri M.Venkaiah Naidu holds detailed discussion with present and former PMs of Singapore

Singapore has shown keen interest in partnering with India in the urban development sector, including development of a new smart satellite city and a new capital for the state of Andhra Pradesh. Top leadership of Singapore conveyed their areas of interest during the extensive talks that the Minister of Urban Development Shri M.Venkaiah Naidu held with Singapore's Prime Minister Shri Lee Hsien Loong and former Prime Minister and Emeritus Minister Goh Chok Tong in Singapore, in separate meetings.

During the talks, both the sides decided to set up Committees to further examine and concretise the areas of cooperation between the two countries in the context of India's initiative to build 150 news smart cities, develop infrastructure in 500 towns and cities, development of heritage cities and massing urban housing programme. Singapore reiterated its keenness to take up the project of developing the new capital of Andhra Pradesh which was first indicated during the recent visits of Shri Goh Chok Tong to India.

Shri Venkaiah Naidu and the Singapore leaders spent considerable time in acquainting each other with India's initiatives in urban sector and the experiences of Singapore leadership in making the city state as one of the models of smart city. The two top leaders of Singapore acknowledged that there is a new sense of purpose, dynamism and action in India since Shri Narendra Modi took over as the Prime Minister.

Shri Venkaiah Naidu sought Singapore's assistance in promoting smart city features like Intelligent Transport Systems, e-urban governance including delivery of services, water management including recycling and solid waste management.

Shri M.Venkaiah Naidu visited the Urban Redevelopment Authority and the Centre for Liveable cities and held extensive discussions about Singapore's public housing shemes and regulatlons for private housing. Means of financing of urban transport infrastructure was also discussed.

Shri Venkaiah Naidu was in Singapore for discussions with the leaders of Singapore on his way back from attending the Asia Pacific Ministerial Conference on Housing and Urban Development that concluded in Seoul .

Central Government Initiatives

- **Hon'able PM launches 'Make in India' Initiative**-(http://pib.nic.in/newsite/PrintRelease.aspx?relid=110017) The link to brochures is as follows-(http://dipp.nic.in/English/Investor/makeinindia.aspx
  Summary of Initiatives taken by Department of Industrial policy & Promotion-http://pib.nic.in/newsite/PrintRelease.aspx?relid=109449) The website of Make In India is http://makeinindia.com/

- **Labour reforms to boost ease of business announced:** India has announced changes in labour laws including those to make inspections more transparent and devoid of unnecessary harassment. The measures include a taking away of inspectors' discretionary powers, easy portability for provident fund users, a labour law compliance web portal and a scheme for training apprentices. Work was also in progress on reforms in the area of child labour and the micro, small and medium enterprises sector.

- **India signs trade agreement with Asean;** India signed the trade in services and investments agreement with the 10-member Association of Southeast Asian Nations (ASEAN) which is expected to throw open free movement of professionals between the two sides. Nine out of 10 Asean countries have signed the services and investment agreement and the Philippines is completing its domestic procedure and expected to sign. Both India and Asean member states have taken General Agreement on Trade in Services (GATS) plus commitments in various services and modes of supply. Each Asean member state has tabled individual schedule of commitments which are equally applicable for India and other Asean member states. (http://pib.nic.in/newsite/PrintRelease.aspx?relid=109489)

- **Industrial projects to get security clearance within 12 weeks:** Industrial and infrastructure project proposals will get security clearance within 12 weeks as the Home Ministry has streamlined the process by issuing a detailed guideline in this regard. The decision has been taken as part of the Narendra Modi government's push for attracting FDI for infrastructure projects and setting up of industries, which is expected to create jobs, revive economy and bring overall growth.

- **Government clears five budget airports to improve regional connectivity:** The ministry of civil aviation has approved construction of five budget airports to improve regional connectivity. The five airports at Tezu (Arunachal Pradesh), Kishangarh (Rajasthan), Jharsuguda (Odisha), Hubli and Belgaum (Karnataka) were shortlisted from 50 cities and towns in remote areas and various unconnected regions across the country. Each of these will be built with a small budget of USD 9.04 -13.97 million. The budget airports will have airstrips that cater to small aircraft like ATR and Bombardier-made Q-400.

- **Government unveils new guidelines to promote coastal shipping:** The ministry of shipping has issued new guidelines under which these ports will have to give priority to dry bulk or general cargo coastal vessels irrespective of the origin and final

destination of the cargo. The 12 ports are Mumbai, Jawaharlal Nehru Port Trust, Kol kata (with Haldia), Chennai, Visakhapatanam, Cochin, Paradip, New Mangalore, Marmagao, Ennore, Tuticorin and Kandla. The 12 major ports handle approximately 61% of the country's total cargo traffic besides about 200 non-major ports. Ennore Port, near Chennai, has already seen export of 449,000 automobile units till December 2013, including by automobile manufacturers such as Nissan, Ford and Ashok Ley land from Chennai, Toyota from Bangalore and Honda from Delhi.

- **Cabinet clears Rs 5300-crore telecom infra project for North East:** Government today approved an over Rs 5,300 crore project to boost telecom infrastructure and connectivity in the North East Region. "The Union Cabinet chaired by the Prime Minister, Shri Narendra Modi, today gave its approval for implementing a Comprehensive Telecom Development Plan for the North-Eastern Region (NER). The proposal entails an estimated expenditure of Rs. 5,336.18 crore (inclusive of all applicable taxes except octroi and local taxes)," an official statement said.

- **Steps initiated for corporatization of major ports:** India's major ports and has started the process for appointment of a world-class consultant to come out with a draft report for amendments in the relevant act do so. The move is aimed at infusing professionalism in the major ports in order to make them compete with private sector ports as well empower financial autonomy. To revamp the top 12 ports, the Centre has already asked them to prepare land data base by October and come up with concrete plans by January next year to achieve international operating standards.

- **Eco clearance norms for mining projects eased further:** In a bid to simplify the process of obtaining environment clearance for coal mining projects, the Ministry of Environment & Forests has agreed to do away with public hearings for capacity increase of coal mines with 20 million tonne per annum capacity. The decision was taken after a request was put by the Ministry of Coal. After Tuesday's decision, the Expert Appraisal Committee can exempt public hearing for one time capacity expansion proposals of existing coal mines with a 20 million tonne a annum capacity.

- **SEBI notifies norms for REITs, infrastructure investment trusts:** The Securities and Exchange Board of India (SEBI) has notified regulations that will govern Real Estate Investment Trusts (REITs), and Infrastructure investment trusts. All REIT schemes, to begin with, will be close-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 will also be allowed to invest in commercial real estate assets, either directly or through Special Purpose Vehicles.

- **Government approves grant six new STPI units for Odisha:** The Union ministry of communications & information technology has accorded in principle approval for establishment of six new STPI (Software Technological Parks of India) centres in Odisha.With the current approval, the state will now have a total of 10 STPI units. At present, there are four STPI centres in the state at Bhubaneswar, Berhampur, Rourkela

and Balasore. Barring the Balasore unit, which is under construction, the other three centres are now operational and contribute the major chunk to the state's IT exports. More than 100 IT units of the state are registered with STPI.

- **Smart City project to be developed under PPP model:** Government's ambitious Smart City project will be developed with active private participation and some hilly regions will be part of the scheme. The NDA government has announced a mega project of developing 100 smart cities with modern amenities over the years. While majority of existing cities will be developed as Smart City, some new cities will also be carved out of the hilly regions to be part of the project. Smart City entails facilities like continuous water supply, modern sewerage system, solid waste management and infrastructure development among other advanced facilities. The total estimate of investment requirements for providing these services is estimated to be around USD 122 billion over 20 years. Urban local bodies (ULB) are also being asked to introduce reforms to generate additional revenue to be part of the Smart City project.

- **India and Bhutan sign power project agreement:** In a major boost to the 600-Mw Kholongchu hydroelectric project in Bhutan, being developed by Shimla-based power public sector unit SJVN Ltd, a shareholders agreement was signed in Bhutan. This is the first hydroelectric project being developed by a joint venture between PSUs of both the countries, to be implemented in Bhutan, under the Build, Own, Operate and Transfer (BOOT) model. On completion, it will generate 2,568 million units of energy. The project is estimated to cost USD 630 million, to be shared equally by the two partners. It will provide 12% of the saleable energy to Bhutan free of cost as royalty energy during the first 12 years of commercial operations.

- **Government moves swiftly to implement PM's announcements in the USA on Consular and Visa issues; Details can be seen from the following link-http://pib.nic.in/newsite/PrintRelease.aspx?relid=110318 & http://pib.nic.in/newsite/PrintRelease.aspx?relid=110219**

State Government Initiatives:

- **Uttarakhand finalises new policy for MSMEs:** A three-member committee headed by Uttarakhand medium, small and micro enterprises (MSME) Minister Harish Chandra Durgapal on Tuesday finalised the draft of the new MSME policy to give boost to small units, offering a series of sops to over 40,000 such enterprises in the state and attracting new ones.The draft was finalised following a meeting of the committee at the Vidhan Sabha here after incorporating suggestions from various chambers of business. "The draft of the new MSME policy has been finalised and it will be sent to the Cabinet for final approval," said a senior government official.Under the new policy, the government will focus on preparing a land bank for MSMEs and provide land to them for setting up units at reasonable prices, the official told Business Standard.

- **Maharashtra cabinet clears cluster development policy;** Maharashtra cabinet has cleared a cluster development policy for Mumbai. As per the policy, dilapidated buildings, and buildings of the state government and the Maharashtra Housing & Area Development Authority that are more than 40 year old will be entitled for redevelopment. There are about 19,000 such buildings in Mumbai. 1,000-1,500 land parcels have been identified for cluster development in the city.

- **Rajasthan government launches Solar Energy Policy-2014:** Government of Rajasthan has launched a new "Solar Energy Policy-2014" to pave the way for establishment of 25,000 MW solar capacity in the state. The main objectives of the policy are creation of conducive environment for the investors in the state and ensuring power supply to urban and rural areas. The policy also aims at having energy security at the national level and to overcome the challenges of climate change. Its main provisions are to establish solar parks in state sector, private sector and through Public Private Partnership.

- **Labour law exemptions for MSMEs in Madhya Pradesh:** The Madhya Pradesh government has announced exemption from some labour laws for the Micro, Small and Medium Enterprises (MSME) sector. The government would establish USD 16.38 million Venture Capital (VC) fund and a separate department for the sector. The proposed VC fund is to participate in the equity of these units. The government has two agencies, district industry centers and Audyogik Kendra Vikas Nigams to handle all aspects relating to MSMEs, particularly to allot land to the sector.

- **Madhya Pradesh government sets up Laghu Udyog Samvardhan Board**; The Madhya Pradesh government today constituted a state-level Laghu Udyog Samvardhan Board, as announced by Chief Minister Shivraj Singh Chouhan last week at the Micro Small and Medium Enterprises (MSME) convention during the Global Investors' Summit. State's Commerce, Industries and Employment Minister Yashodhara Raje Scindia has been appointed as Chairman of the Laghu Udyog Samvardhan Board (LUSB), an official release said.

Tax related developments:

- **Tax benefits in SEZ: manpower transfer limit raised for IT firms:** The Central Board of Direct Taxes (CBDT) has raised the limit for transferring technical manpower from existing units to a new unit in a Special Economic Zone (SEZ), a move that will benefit the software industry. "It has now been decided that the new transfer or redeployment of technical manpower from existing unit(s) to a new unit located in SEZ, in the first year of commencement of business, shall not be construed as splitting up or reconstruction of an existing business, provided the number of technical manpower so transferred as at the end of the financial year does not exceed 50 per cent of the total technical manpower actually engaged in development of software or IT enabled products in the new unit," a CBDT circular said. Earlier, the limit was 20 per cent. Further, if the company is able to prove that that the net addition of the new technical manpower in all units of the said firm is at least equal to the number that represents 50 per cent of the total technical manpower of the new SEZ unit during such previous

year, deduction would not be denied, said the circular.

RBI Actions:

- **Exim bank's line of credit of USD 18 million to the government of the Republic of Mauritius- http://rbi.org.in/scripts/NotificationUser.aspx?Id=9218&Mode=0**
- **Exim bank's line of credit of USD 26 million to the government of the Republic of Honduras- http://rbi.org.in/scripts/NotificationUser.aspx?Id=9217&Mode=0**
- **Exim Bank's Line of Credit of USD 30 million to the Government of the Republic of Togo-** http://rbi.org.in/scripts/NotificationUser.aspx?Id=9251&Mode=0
- **Exim Bank's Line of Credit of USD 52 million to the Government of the Republic of Togo-** http://rbi.org.in/scripts/NotificationUser.aspx?Id=9253&Mode=0
- **Foreign Exchange Management Act, 1999 (FEMA) Foreign Exchange (Compounding Proceedings) Rules, 2000 (the Rules)** - Compounding of Contraventions under FEMA, 1999- http://rbi.org.in/scripts/NotificationUser.aspx?Id=9286&Mode=0

FORTHCOMING EVENTS >>>> *INDIA*

I. 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.

II. India Engineering Sourcing Show

Date: 16-18 December, 2014

Venue: Mumbai, India

Organizer: EEPC India

Contact : http://www.iessshow.in

Details: India Engineering Sourcing Show (IESS-IV) will be the largest display of engineering products and services with focus on building global partnerships. It will showcase the latest engineering technologies and will be a preferential meeting place for buyers and sellers from all over the world.

Focus Product Profiles:

Industrial Supplies & Subcontracting, Metal & Shop Floor Expo, Industrial & Electrical Machinery, Automotive Component, Innovation and Frugal Manufacturing, Retail Engineering , Investments & Engineering Project Exports. EEPC India has also developed a **special sponsored package** for visiting delegates which includes the following:

- Return air ticket / air fare reimbursement to visit the show
- Complimentary 2 nights hotel stay
- Complimentary airport pick up & drop by shuttle service
- Invites for Indian Cultural Program & Gala Dinner during the event.
- B2B Meetings & Networking Opportunities
- Wide circulation of delegate profile throughout EEPC Network

III. Reverse Buyer Seller Meet for Rubber Products 2015

Date: 16-17 January, 2015

Venue: New Delhi, India

Organizer: CAPEXIL (formerly Chemicals & Allied Products Export Promotion Council)

Contact : Mr. V.R. Chitalia, Director – CAPEXIL, Email: epc@capexilmumbai.com

Details: CAPEXIL (formerly Chemicals & Allied Products Export Promotion Council) under the Ministry of Commerce & Industry, Government of India is organizing a Reverse Buyer-Seller Meet (B2B Meet) coinciding with India Rubber Expo'2015 for rubber manufactured products including automobile tyres and tubes. In this regard, the Council proposes to invite potential buyers from Singapore to interact with Indian manufacturers for sourcing their product requirements from India. The Council will sponsor the to-and-fro economy excursion class airfare of the selected foreign delegates (home country-India-home country) along with hotel accommodation for 2 nights (i.e. on 15th and 16th January 2015 for the RBSM).

IV. Signature 2015

Date: 20-23 February, 2015

Venue: Bombay Exhibition Centre, Mumbai

Organizer: The Gem & Jewellery Export Promotion Council

Contact : Mr. Vikrant Pradhan, Asst Director, Email: vikrant@gjepcindia.com

Details: GJEPC is organizing Signature 2015 which will feature 550+ leading Indian companies which will render plenty of sourcing opportunities for all types of gems & jewellery items like loose diamonds and gemstones, gold jewellery, studded jewellery, an exclusive Signature Club for couture collection & International Section to showcase the best of the international manufacturers.

TENDER NOTICES >>>> *INDIA*

Tender invitation from relevant well established /reputed firms to be considered for appointment as "Consultant for Research Vessels".

National Centre for Antarctic & Ocean Research, Goa , URL: http://www.ncaor.gov.in

Closing Date : 23 December, 2014

Notifications

Securities and Exchange Board of India

Increasing the investment bucket for anchor investor and regulations concerning the preferential issue norms

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1410415905407.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

Risk Management and Inter Bank Dealings: Hedging Facilities for Foreign Portfolio Investors (FPIs)

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9219&Mode=0

Increasing the investment bucket for anchor investor and regulations concerning the preferential issue norms

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9219&Mode=0

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

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

Six Indian infra projects among world's 100 most 'innovative and impactful'

The Times of India: Nov 14.'14

Six major infrastructure projects - Delhi Metro, Yamuna Expressway, Interceptor Sewage System in Delhi, Gujarat International Finance Tech-City (GIFT), Mundhra Ultra Mega Power Plant and Narmada Canal Solar project - have featured in the list of 100 of the world's most innovative, impactful infrastructure projects prepared by international accounting firm KPMG.

These projects were evaluated on the basis of their scale, feasibility, complexity, innovation and impact on society, a release issued by KPMG said. "Each country has its own approach to developing and funding infrastructure, yet all share the universal challenge of creating the right conditions to attract investment so desperately needed. Private capital continues to play a critical role, but investors need economic and political stability before committing. Consistency and sustainability are key in setting policy, the right regulatory environment and establishing a steady deal flow through project pipelines," James Stewart, KPMG's chairman of global infrastructure said.

FAQs on Foreign Investments In India

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. Are the investments and profits earned in India repatriable?

Ans. All foreign investments are freely repatriable (net of applicable taxes) except in cases where:

i) the foreign investment is in a sector like Construction and Development Projects and Defence wherein the foreign investment is subject to a lock-in-period; and

ii) NRIs choose to invest specifically under non-repatriable schemes.

Further, dividends (net of applicable taxes) declared on foreign investments can be remitted freely through an Authorised Dealer bank.

Q. What are the guidelines on issue and valuation of shares in case of existing companies?

Ans. A. The price of shares issued to persons resident outside India under the FDI Scheme shall not be less than :

(i) the price worked out in accordance with the SEBI guidelines, as applicable, where the shares of the company is listed on any recognised stock exchange in India; (ii) the fair valuation of shares done as per SEBI guidelines for listed companies or as per any internationally accepted pricing methodology on arm's length basis, for unlisted companies

B. The price of shares transferred from resident to a non-resident and vice versa should be determined as under:

i) Transfer of shares from a resident to a non-resident:

a) In case of listed shares, at a price which is not less than the price at which a preferential allotment of shares would be made under SEBI guidelines.

b) In case of unlisted shares at a price which is not less than the fair valuation as per any internationally accepted pricing methodology on arm's length basis to be determined by a SEBI registered Category-I- Merchant Banker/Chartered Accountant.ii) Transfer of shares from a non-resident to a resident - The price should not be more than the minimum price at which the transfer of shares would have been made from a resident to a non-resident. In any case, the price per share arrived at as per the above method should be certified by a SEBI registered Category-I-Merchant Banker / Chartered Accountant. *Source:RBI*

For Feedback & Comments, please contact:

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