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India Focus

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BUSINESS

"Future of India: Potential & Prospects" Event held in Singapore

The High Commission of India in association with PwC Singapore and ANZ Banking Group Limited, Singapore, organized an Investors Meet titled "**Future of India: Potential and Prospects"** on Friday, 20 March, 2015. The event saw a good turnout of about 100 investors from the Singapore business & investors community.

High Commisioner, Mrs. Vijay Thakur Singh delivering the Opening Remarks

The meet constituted the following:

-Talk by Mr. Shashank Tripathi, India Strategy Leader, PwC India on the report "Future of India – The Winning Leap"
-Panel Discussion titled "The India Story: Making it Happen". ***..Cont on P. 8***

TOP NEWS

PM Narendra Modi in Singapore to attend visionary 1st Prime Minister Lee Kuan Yew's State funeral

PM's remarks in condolence book, at the funeral of the founding father of Singapore, Mr. Lee Kuan Yew

"The passing of Lee Kuan Yew, is not the passing of an individual, but indeed, of an era.

He was a torchbearer of hope, not just for Singapore, but for all of Asia.

Today, the flame is no more, but this was a torch that lit the lamp of hope in many new nations. As long as these lamps flicker, he will continue to inspire, eternally.

His personal life was an inspiration for many like me. I bow to this committed Karma Yogi, this great man. On behalf of all Indians, I pay homage to him."

(Please refer to P. 11 for more details)

ECONOMY

IMF's Christine Lagarde says India could fuel global growth

***Livemint**: March 17, 2015*

With a projected growth rate of 7.5% in 2015-16, India will become the world's fastest growing major economy, fuelling global growth at a time when advanced economies are under stress and other emerging economies are slowing down, International Monetary Fund (IMF) managing director Christine Lagarde said on Monday.

Delivering a lecture on Seizing India's Moment at Lady Sri Ram College, Lagarde said this is a special moment for India. "Just as many countries around the world are grappling with low growth, India has been marching in the opposite direction... In this cloudy global horizon, India is a bright spot," she said.

More than six years after the global financial crisis, the recovery remains slow, brittle and lopsided. The IMF has pared down its forecasts of global growth since last October, to 3.5% in 2015 and 3.7% next year, despite the boost from cheaper oil and stronger US growth. China's growth is also slowing to more sustainable levels, leaving India among the major economies to show resilience with growth expected to accelerate from a projected 7.2% in 2014-15 to 7.5% in 2015-16.

Lagarde said by 2019, the Indian economy will more than double in size, compared with 2009. "When adjusting for differences in purchase prices between economies, India's GDP (gross domestic product) will exceed that of Japan and Germany combined. Indian output will also exceed the combined output of the three next largest emerging market economies—Russia, Brazil, and Indonesia. So, clearly, India's weight among the group of emerging markets will increase," she added.

The IMF chief said while it is clear that India can run, the question is whether it can fly. "I believe it can. As India grows and takes its rightful place in the global economy, the focus should remain on sound policies and inclusive institutions," she said.

The conditions are ripe for India to reap the demographic dividend and become a key engine for global growth, Lagarde said. Much of this has to do with population growth. More than 50% of India's population is currently below the age of 25, and more than 12 million people enter the labour market every year. By 2030, India is expected to have the largest labour force in the world.

"At more than one billion people of working age, India's labour force will be larger than the combined labour force in the US, the Euro Area, and Indonesia. The potential benefits to be reaped from your collective work efforts could be enormous," Lagarde said.

Lagarde said for India to achieve its true potential, it has to carry out structural reforms such as further subsidy reforms, implementation of the goods and services tax, making labour laws more flexible.

The IMF chief also batted for a "sound and healthy financial sector" to support strong and sustainable growth. "This requires banks, including public sector banks, with strong balance sheets. Higher capital injections and improved operational efficiency can certainly help in strengthening banks' balance sheets. But there can also be synergies between fiscal consolidation and financial intermediation. As the fiscal deficit continues to shrink, Indian banks can reorient their balance sheets away from holding government securities towards more lending to the private sector for investment and growth," she added.

Referring to the government's "Make in India" initiative and Reserve Bank of India governor Raghuram Rajan's counter proposal of make for India, Lagarde said while they are laudable objectives, they require an open and competitive business environment to flourish, and they need reliable and affordable sources of energy, transportation and communication.

"Many of these projects were delayed due to regulatory uncertainty and bureaucratic hold-ups. Much needs to be done in easing land acquisition, expediting clearances and establishing a stable regulatory regime so that the private sector can invest. These issues are on the radar of policymakers, which is promising. They must be on the action list," she added.

India to outpace China in growth rate in 2015-16, ADB says

PTI | Mar 24, 2015, 07.44PM IST

India is all set to overtake China's growth rate by clocking 7.8 per cent GDP in 2015-16 and 8.2 per cent during the following fiscal on the back of structural reforms and government's "pro-investment" attitude, Asian Development

Bank said on Tuesday.

India is expected to grow faster than China in the next few years," ADB chief economist Shang-Jin Wei said while releasing the bank's annual publication Asian Development Outlook, 2015. Indian government's pro-investment attitude, improvement in the fiscal as well as current account deficit situation, and some forward movement on resolving structural bottlenecks have helped improve the business climate, making India attractive again to both domestic and foreign investors, he added.

ADB expects India's growth to accelerate to 7.8 per cent in 2015-16 and further to 8.2 per cent in 2016-17. In case of China, the GDP is expected to decelerate to 7.2 per cent in 2015 and 7 per cent a year after. In the current fiscal, both the economies are expected to clock a 7.4 per cent growth rate.

The Indian government however, expects the growth rate to accelerate from 7.4 per cent to 8-8.5 per cent in 2015-16. The International Monetary Fund (IMF) has projected a growth rate of 7.5 per cent for next fiscal.

India, the ADB report said, would drive the economic growth of emerging Asian economies, as Asia's largest economy China will continue its moderate deceleration in 2015 and 2016 as the government proceeds with its structural reform agenda and fixed asset investment slows. Shang, however, cautioned that although India's economic prospects look promising, "there are still many challenges".

As regards inflation, the ADB said inflation in 2015-16 at 5 per cent, but may rise to 5.5 per cent in 2016-17.

"We expect little bit monetary easing (of interest rates by the RBI) ... A benign inflation outlook would serve to help monetary policy support growth," ADB senior economics officer, Abhijit Sen Gupta said.

India receives highest FDI in 29 months

IBEF: March 18, 2015

New Delhi: The foreign direct investment (FDI) to India doubled to US$ 4.48 billion in January 2015, the highest inflow in last 29 months, from US$ 2.18 billion in January 2014.

The foreign inflows have grown to touch US$ 25.52 billion during the April-January 2014-15, up 36 per cent year-on-year (y-o-y), from US$ 18.74 billion in the corresponding period last fiscal, according to Department of Industrial Policy and Promotion (DIPP) data. The top 10 sectors receiving FDI include telecommunication which received the maximum FDI worth US$ 2.83 billion in the 10 month period, followed by services (US$ 2.64 billion), automobiles (US$ 2.04 billion), computer software and hardware (US$ 1.30 billion) and pharmaceuticals sector (US$ 1.25 billion).

India received the maximum FDI from Mauritius at US$ 7.66 billion, followed by Singapore (US$ 5.26 billion), the Netherlands (US$ 3.13 billion), Japan (US$ 1.61 billion) and the US (US$ 1.58 billion) during April-January 2014-15 period. Healthy inflow of foreign investments into the country helped India's balance of payments (BoP) situation and stabilised the value of rupee.

India is estimated to require around US$ 1 trillion over 5 years to overhaul its infrastructure sector, including ports, airports and highways to boost growth. The Government of India is taking steps to boost FDI and has recently relaxed FDI norms in sectors including insurance, railways and medical devices.

Government eases norms for Television and Radio services

***The Economic Times**: March 18, 2015*

In another step towards improving ease of doing business, government has streamlined security clearance for TV channels and radio services. Government has issued orders that channels will no more need separate security clearance for subsidiary or other channels in a bouquet as was the case earlier. Clearance granted once would be valid for up to 10 years instead of three years as was proposed earlier. Also, the broadcasting company and its directors will only have to give an undertaking of not being involved in any anti-national activity, rather than being verified by the police.

The order has been issued concerning community radio stations, uplinking/downlinking of TV channels, multi-system operator and teleport. Though all these entities come under the administrative control of information and broadcasting ministry, security clearance for their operation has to be obtained from ministry of home affairs (MHA).

The government order says that "security clearance conveyed to an entity in one proposal shall remain valid to other proposals (within the same sector). This means, home ministry sources said, that a company running 20 channels would not have to apply for security clearance for each separately. Earlier, a company had to secure clearance for each channel separately.

"The real estate sectors which launders maximum black money is without such checks and balances. There is no reason why TV channels and radio stations should be subjected to such rigorous clearance regime," a home ministry official said.

These clearances would be valid for 10 years, the order says. There was a proposal floated recently that security clearances be restricted to three years. TV channels have argued that just getting a security clearance takes eight to nine months. Thus a period of three years is too short.

However, there are exceptions to these clearances in cases where there is change in board of directors or change in the ultimate beneficial ownership of 10% and above in the company, expansion of existing community radio service license to border and naxal areas. Also security clearance granted in one sector can't be valid for another. This means, a company can't use security clearance granted to a bouquet channels to run community radio service.

The order further says that I&B will obtain an annual undertaking from the company and its directors that they are not involved in any criminal or anti-national activity.

I&B ministry, however, will ensure continuous content audit to ensure that subversive or anti-national content is not aired, said sources.

FDI via approval route surges 162 pc to $1.91 bn in Apr-Jan

PTI

Foreign Direct Investment into India through the approval route shot up 162 per cent to USD 1.91 billion in the first 10 months of the current fiscal, indicating that government's effort to improve ease of doing business and relaxation in FDI norms may be yielding results.

During the full 2013-14 fiscal, India had received USD 1.18 billion FDI through the government approval route, according to the figures collated by the Department of Industrial Policy and Promotion (DIPP).

"The FDI figures during April-January period clearly reflect that the government is giving faster clearance to the proposals. It is reacting fast on the needs of foreign investors," said a senior official in the Commerce and Industry Ministry.

Some experts think likewise.

Head of Tax and expert on FDI with corporate law firm Amarchand & Mangaldas Krishan Malhotra said: "Relaxation of FDI norms in some sectors and steps to improve ease of doing business have started generating positive environment in the country. Foreign investors are very positive about India.

Sentiments are also improving. There is lot of positivity in the business environment."

Although in most of the sectors foreign investment is permitted through automatic route, FDI in few sectors including pharmaceutical, defence and retail are permitted only through the approval of Foreign Investment Promotion Board (FIPB).

FIPB is an inter-ministerial body under the Finance Ministry which approves foreign investments related proposals.

During the April-January period, the total foreign inflows too have increased by 36 per cent year-on-year, to USD 25.52 billion.

In January, the foreign direct investment (FDI) in India more than doubled to USD 4.48 billion, the highest inflow in the last 29 months.

In 2013-14, FDI stood at USD 24.29 billion compared with USD 22.42 billion a year earlier.

Healthy inflow of foreign investments into the country helped India's balance of payments (BoP) situation and stabilised the value of rupee.

India is estimated to require around USD 1 trillion over five years to overhaul its infrastructure sector, including ports, airports and highways to boost growth.

Government is taking steps to boost FDI in the country. It has relaxed FDI norms in sectors including insurance, railways and medical devices.

The government has also taken a series of steps to improve ease of doing business that include having a timeline for clearance of applications, de-licensing the manufacturing of many defence products and introduction of e-Biz project for single window clearance.

Government approves ten (10) proposals of Foreign Direct Investment amounting to Rs. 2857.83 crore approximately

***Press Information Bureau**: March 25, 2015*

New Delhi: Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held on 17th February 2015, Government has approved 10 (ten) proposals of Foreign Direct Investment amounting to Rs. 2857.83 crore approximately.

Details of Proposals considered in the Foreign Investment Promotion Board (FIPB) Meeting held on 17.02.2015

The 10 proposals include Air Works India (Engineering) Private Ltd's proposal for increasing foreign equity investment (Rs 40 crore); Ostro Energy's proposal to invest Rs. 1,400 crore over four-five years in wind energy assets in India via downstream investment; IPCA Laboratories' proposal for FII investment up to 35 per cent (Rs 900 crore); and Syngene International, Bangalore's approval for 10 per cent foreign equity participation in the company (Rs 380 crore).

Finance Ministry nods divestment in four PSUs including ONGC, Bhel, NMDC, Nalco

ET Bureau Mar 21, 2015

The finance ministry on Friday said the government has approved stake sale in four state-run firms which may fetch it around Rs 22,574 crore.

"The government has cleared 5 per cent stake sale in ONGC and Bhel, and 10 per cent stake sale in Nalco and NMDC," said minister of state for finance Jayant Sinha in Lok Sabha, adding that the Cabinet Committee on Economic Affairs (CCEA) has approved of sale of equity in these firms.

The expected realisation, Sinha said, is based on the share prices on March 16, 2015 and after taking into account discount provide to retail investors. In this fiscal, the government has raised Rs 24,200 crore from stake sale in state-owned companies. Of the Rs 69,500-crore target for the next fiscal, the government has budgeted Rs 41,000 crore through stake sales in PSUs and the balance Rs 28,500 crore through strategic disinvestment, which will include residual stake sale in Hindustan Zinc & Balco. In a written reply, Sinha informed that 5 per cent stake sale in ONGC could yield Rs 13,217 crore, while a 10 per cent stake sale in NMDC and Nalco each would fetch the government approximately Rs 5,038 crore and Rs 1,190 crore respectively. Sinha also said that 5 per cent stake sale in BHEL could yield as much as Rs 3,129 crore.

Disinvestment is one of the ways to contain fiscal deficit, Sinha said, adding it was likely to be Rs 5.12 lakh crore in 2014-15. The government proposes to reduce fiscal deficit to 3.9 per cent of GDP in 2015-16 from 4.1 per cent in the current financial year.

Cabinet nod for 101 inland waterways to be declared national waterways

***Business Standard**: March 26, 2015*

New Delhi: The Cabinet, chaired by Prime Minister Narendra Modi, on Wednesday gave its approval to enact a legislation to declare 101 inland waterways as national waterways for navigation. This is to create a logistic supply chain with intermodal (rail, road and waterways) connectivity, according to a release.

The move is expected to contribute to the gross domestic product by opening up business opportunities in the areas of dredging, barge construction, barge operation, terminal construction, terminal operation, storage facilities and tourist cruise.

"Investment in all these business areas will create numerous opportunities for employment and economic development and reduce pressure from the already-overloaded, congested and costlier other surface modes of transport," the statement noted.

In a related development, Railway Minister Suresh Prabhakar Prabhu said the government was looking at infusing $140 billion into the rail sector to turn around the operational and financial position of the Indian Railways. Speaking at The Growth Net , an annual business event, here on Wednesday, he said infrastructure re-conditioning with investments starting from the public sector was on the government's agenda.

On the need to beef up private-sector investments, Prabhu said India needs a proper policy framework for public private partnership (PPP). He added since the private sector has been hesitant towards investment, the public sector needs to kick off investments.

On Wednesday, the rail ministry also announced setting up of a committee under Ajay Shankar, former secretary of Department of Industrial Policy and Promotion, to revive the ministry's PPP cell to review the government's efforts on implementing PPP projects in railways.

The announcement comes days after a similar committee was set up under Ratan Tata, chairman emeritus of the Tata Group, to recommend ways to boost innovation in railways' systems and practices.

BANKING/FINANCE

European Investment Bank to set up office in India

PTI | Mar 15, 2015, 06.18PM IST

Impressed by India's economic reforms and its growth potential, the EU-owned European Investment Bank is planning to open its first office in the country soon to significantly expand its operations.

Considered one of the world's largest multilateral borrower and lender, the European Union (EU) bank has already started negotiations with the Reserve Bank of India to facilitate low cost funding to various infrastructure projects as well as to small and medium enterprise in India. "We are very keen to open our first office in India soon and it should be in New Delhi. We want to expand our operations in India," Patrick Walsh, director of Global Partners at the EIB, told PTI here.

Complimenting Prime Minister Narendra Modi's economic reforms to boost growth rate, Walsh said EIB was keen to work with the India government and the private sector in the country in a major way.

"India is a major market and I think the new government is initiating policies to help develop private sector.We are looking at big projects, particularly to finance infrastructure projects and also small to medium size enterprises," he said. Regional manager, South Asia, at the EIB Sunita Lukkhoo said the EIB was in talks with Indian authorities and private sector to finance a number of major infrastructure projects including the Lucknow Metro project. So far the EIB has granted euro 1.07 billion to various projects in India in the last few years.

In January, the EIB had signed an agreement with the State Bank of India (SBI) to extend a loan of 100 million euro (about Rs 700 crore) for lending to private businesses in the country. This is the third tranche of a total sanctioned loan of 200 million euro by EIB. Agreements related to the first tranche of 55 million euro and the second of 45 million euro were signed in June and November 2014.

Walsh said EIB was quite upbeat over growth projections of the Indian economy.

"We had some interesting meetings last week with Indian representatives on huge range of potential projects. We are going to explore with our colleagues in India in the government and in the private sector.

"We are looking at projects relating to climate change, infrastructure projects like metro network. It is a whole range of projects," Walsh said. The European Investment Bank is owned by the 28 EU member countries. It borrows money on the capital markets and lends it at a low interest rate to projects that improve infrastructure, energy supply or environmental standards both inside the EU and in neighbouring or developing countries.

MARKETS

Sebi clears norms for international finance centres

***Business Standard**: March 23, 2015*

India on Sunday moved a step closer to having a Singapore- or Dubai-like financial hub, with the Securities and Exchange Board of India (Sebi) approving a framework for international financial centres (IFCs).

After its board meeting in New Delhi, the market regulator issued broad guidelines for IFCs, aimed primarily at reversing the export of India's financial markets. And, for the first time, the Sebi board allowed listing and trading of municipal bonds, also referred to as 'muni' bonds, to aid the government's smart-city initiatives.

Sebi, among other things, eased the pricing formula for financial institutions to convert debt to distressed borrowers into equity. A framework to enable local fund managers to simultaneously manage foreign funds was issued, and some key initiatives planned for the coming financial year were also unveiled. Sebi said IFCs, to be set up under the Special Economic Zone (SEZ) Act of 2005, would allow subsidiaries of both domestic and foreign stock exchanges to set up shop here. Issue of depository receipts and other securities by foreign issuers under the Foreign Currency Depository Receipts Scheme, 2014, will also be allowed.

“The guidelines provide for listing and trading of equity shares issued by companies incorporated outside of India, depository receipts, debt securities, currency and interest-rate derivatives, index-based derivatives and other such securities as might be specified by Sebi from time to time. Non-resident Indians, foreign investors, institutional investors, and resident Indians eligible under the Foreign Exchange Management Act (Fema) might participate in IFCs,” Sebi said in a press release.

Leading domestic bourses — the National Stock Exchange (NSE) and BSE — have already agreed, in principle, to set up international exchanges at the Gujarat International Finance Tec-city (GIFT), an equal joint venture between the Gujarat government and IL&FS that is likely to be the country’s first IFC.

“Sebi is one of the important regulators and it certainly opens up chances for setting up international exchanges. We are hoping other regulators like the Reserve Bank of India and the Insurance Regulatory and Development Authority of India will also frame rules by the end of this month,” said GIFT Managing Director Ramakant Jha.

With tax concessions and a relaxed regulatory framework, IFCs will aim at reversing — or at least stemming — the export of India’s financial market. Due to an easy regulatory environment and lower costs, a major portion of trading on India's benchmark stock indices and currency has shifted to markets like Singapore and Dubai.

“We should also have a liberal tax regime and a more efficient legal system comparable with Singapore and Dubai, because we are in a direct competition with them. The government is working on these issues right now,” said Jha.

According to Sebi Chairman UK Sinha, the stock exchanges in IFCs will need an initial net worth of Rs 25 crore, as against the Rs 100-crore requirement for bourses present in India. For clearing corporations, the initial requirement has been revised from Rs 300 crore to Rs 50 crore.

However, these market infrastructure institutions will be required to meet the net worth criterion under the Sebi Act over three-five years.

The Sebi board also proposed to relax certain norms in its takeover code, to allow banks to convert their debt into equity. The regulator said the conversion could now take place through a “fair-price formula”, with face value as the floor price. Under the current framework, the conversion formula has often made it unviable for banks to go ahead with conversion. Both Sebi and RBI have been working together to arrive at a new framework to provide a balance to both lenders and the existing shareholders of companies.

“This is to revive such listed companies and provide more flexibility to lending institutions to acquire control over the company in the process of restructuring, for the benefit of all stakeholders,” said Sebi.

SEBI eases rules for banks to convert bad loans to equity

Reuters

Indian banks will be able to convert distressed loans owed by listed companies into equity stakes, the Securities and Exchange Board of India (SEBI) said on Sunday, in a move that will allow lenders to reduce bad loans weighing on their balance sheets.

India's bad loans have risen sharply as its economic growth has been weak for two years.

Loans classified by the Reserve Bank of India (RBI) as bad or restructured account for more than a tenth of total lending by banks. India Ratings and Research, part of Fitch, estimates impaired loans could hit 13 percent of total lending by March 2016.

The central bank and lenders had been lobbying SEBI to ease the rules on allotment of equity stakes to banks to facilitate debt-to-equity conversions. The guidelines announced on Sunday would allow banks to convert distressed debt into equity at a mutually agreed valuation based on what the regulator described as a "fair-pricing formula", moving away from current rules that require conversions to be based on market prices.

A SEBI official said the regulator would publish details of the formula at a later date.

The regulator said conversions would be exempt from takeover rules, allowing banks to convert debt to equity without having to make mandatory tender offers to minority shareholders.

The board also approved draft rules that would make it easier for municipal governments to sell bonds to fund construction of roads, bridges and hospitals.

The regulator announced stricter corporate disclosure requirements that require listed companies to announce material information to shareholders within 24 hours after an event and make decisions by their boards public within 30 minutes.

The new requirements come after SEBI has voiced concerns that Indian companies do not provide proper disclosure. Last year the regulator empowered stock exchanges to beef up their surveillance mechanisms to ensure companies make timely disclosures.

The regulator also removed restrictions on asset managers who run specialized funds for offshore investors, which will allow domestic mutual fund companies to seek more foreign clients.

Overseas inflows hit Rs 72,000 crore so far this year

PTI | Mar 15, 2015, 11.09AM IST

Overseas investors have pumped in nearly Rs 14,000 crore into the Indian capital markets within a fortnight of this month, taking the total inflow to around Rs 72,000 crore since the beginning of the year.

The analysts expect the inflows to accelerate further going ahead following the passage of the Insurance Bill in Parliament and assurances in the Union Budget to revisit controversial issues like General Anti-Avoidance Rule (GAAR). The Foreign Portfolio Investors (FPIs) have bought shares worth a net Rs 9,134 crore during March 2-13, while in the debt segment, their net inflows stand at Rs 4,567 crore, taking the total to Rs 13,706 crore ($2.2 billion), as per the data compiled by the Central Depository Services Ltd.

The latest inflow takes the foreign investments in the country's capital markets (equity and debt segments) to Rs 71,958 crore ($11.63 billion) so far this year.

Market participants attributed the robust inflows to positive investor sentiment driven by the government's announcement of several reform measures.

Experts further said that inflows will continue in the coming months because of the passage of the Insurance Bill in the Rajya Sabha last week as many foreign investors are keen on partnering in insurance businesses.

Besides, finance minister Arun Jaitley announced a slew of measures to attract overseas investment in the country in his Union Budget.

In 2014, the net investment by overseas investors in debt markets was Rs 1.59 lakh crore, while the figure for equities stood at Rs 97,054 crore. Overall net investment by foreign investors stood at Rs 2.56 lakh crore last year.To soothe investors' nerves, Jaitley had deferred the controversial GAAR by two years, saying that its immediate applicability can create 'panic' in markets.

BUSINESS

“Future of India: Potential & Prospects” Event held in Singapore..

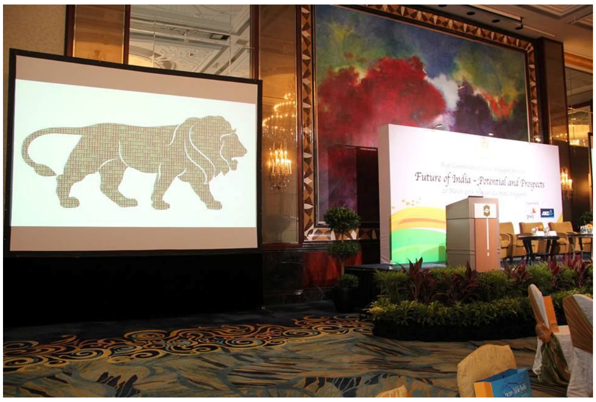
Cont from P. 1

The Panelists were: Mr Shashank Tripathi, India Strategy Leader, PwC India , Mr Vishal V Thapliyal, Partner, Advisory Corporate Finance, PwC Singapore, Mr Sanjeev Bajaj, Chief Executive Officer, India, ANZ, Ms Devika Mehndiratta, Senior Economist, ANZ

High Commissioner, H.E. Mrs. Vijay Thakur Singh delivered the opening remarks. Mr. Shashank Tripathi spoke at length on the PwC report “Future of India – The Winning Leap” & explained to the rapt audience the winning leap solutions for India’s rapid, sustainable and resource –efficient growth. He emphasized on the need for new solutions for various key sectors such as education, healthcare, agriculture, financial services, power, manufacturing, retail, urbanization, digital and physical connectivity.

In the panel discussion, the key points of discussion were, human capital building, infrastructure building, productivity building, change in investor mindset & challenges faced by them and the role of banking system. It was an engaging & powerful discussion and was followed by a robust Q&A session.

Mr. Pradyumn Tripathi, First Secretary (Commerce) proposed the Vote of Thanks.
The High Commission utilized this platform to promote the Make in India program and distributed Make in India booklets with complete information on the major new initiatives designed to facilitate investment, amongst the participants.



TCS opens 1,000-seater banking and financial services centre in Singapore

***Livemint**: March 18, 2015*

Mumbai: Tata Consultancy Services Ltd (TCS), India’s largest software services exporter, said on Tuesday that it has expanded its presence in Singapore with the opening of a new 1,000-seat TCS Singapore banking and financial services (BFS) centre.
The new centre replaces a 500-seat centre opened in 2011 and will offer a broader range of services to global banks in the Asia-Pacific region, with a major focus on digital offerings.
“TCS has a long history in Singapore, with operations spanning nearly 30 years, during which we have seen a growing shift of our global banking and financial services clients moving core elements of their operations to Singapore, in order to be closer to the fast emerging Asia region, and to leverage talent and government incentives that give them an global competitive edge,” said Girish Ramachandran, president, TCS Asia Pacific. “Singapore is our regional headquarters for APAC operations, and we are committed to expand our presence in this market and to assist our global clients.”
Globally over 40% of TCS’ revenue comes from the BFS sector. TCS partners with the world’s major banks and financial institutions through TCS BFS services and TCS BaNCS software solutions. In Asia Pacific, TCS has partnered with leading banks and financial institutes across the 12 countries it operates in.

CII signs MoU with National University of Singapore to enhance business environment in India

***The Times of India**: March 20, 2015*

Apex industrial association, CII (Confederation of Indian Industry) signed a Memorandum of Understanding (MoU) with Lee Kuan Yew School of Public Policy, National University of Singapore (NUS) to help in improving India's rating on ease of doing business and bring it amongst the top 50 countries from the present 142nd slot as per World Bank Report.
The MoU was signed during the CII conference on 'Make in India: Focus North' organised as part of CII's Northern Region's Annual Regional meeting on Thursday.

Lim Thuan Kuan, high commissioner, Republic of Singapore opined that addressing the issue of ease of doing business is crucial for accelerating growth and job creation. "Singapore, which is ranked first in ease of doing business is happy to work with CII to take forward the state level dialogue on ease of doing business. Our MoU with CII today is the first step in this direction."

The MoU will enable CII and NUS to jointly conduct a state level research across 11 parameters including starting a business, dealing with construction permits, getting electricity, land acquisition and registration of property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, resolving insolvency and labour market regulations.

Chandrajit Banerjee, director general, CII said, "This MoU would subsequently be followed by individual tripartite MoUs between the CII, NUS and respective state governments to in turn create state-wise master plan for ease of doing business and then prepare a comprehensive state-level action plan." The NUS would study where the states stand currently on various parameters, guide on the specific best practices to be adopted by different states, handhold them and would also analyze their improvement on year on year basis.

Experts from Asia Competitiveness Institute (ACI) of the National University of Singapore have already discussed proposals and got positive feedback from the chief ministers/ chief secretaries of state governments like Rajasthan, Delhi, Chhattisgarh and Madhya Pradesh while more are in the pipeline.

Ford opens Sanand plant to triple exports from India

***Business Standard** : March 27, 2015*

Sanand: Detroit-headquartered Ford Motor Company's Indian arm on Thursday inaugurated its second factory in this country at Sanand, 30 kilometres from Ahmedabad.

The arm showcased its upcoming car from the site, a compact sedan, Ford Figo Aspire. The company said it had planned to establish India as an export hub. Also, it wanted to triple its exports from here over five years.

Anurag Mehrotra, executive director for marketing, sales, and service, Ford India, said half of the combined production from their Sanand and Chennai units would be for export. The company, however, did not wish to put a figure to the target.

Nigel Harris, the president of Ford India, said the Figo Aspire would be launched in the second half of the year. The initial production would be for the domestic market and the company would eventually focus on exporting the model. With 240,000 cars and 270,000 engines a year at the $1 -billion (Rs 6,200 crore) factory here, Ford's capacity in the country would rise to 610,000 engines and 440,000 vehicles annually.

Mehrotra said it planned to launch three models in the Indian market over 12 to 18 months.

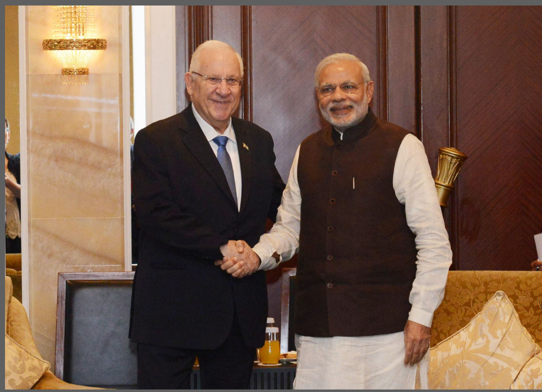
Sanand, the company said, was one of its most highly automated plants across the globe. Mehrotra said the body shop was 95 per cent automated and the paint shop almost fully. "There are 125 stations along the production line that have been set up for quality checks," he said. "There were more than 437 robots at the facility."

Gujarat chief minister Anandiben Patel said the factory would create direct and indirect employment for more than 4,000, and the company's vendor park nearby would give employment to more than 6,000. Calling the 125 km Sanand-Hansalpur-Vithalapur belt, with the connected nodes of Kadi and Halol, a major automobile hub in the making for the Asia-Pacific region, she said an investment of about Rs 15,000 crore in all had already been committed by various companies, to create annual capacity of 1.25 million four-wheel and two mn two-wheeled ones. Another Rs 10,000-crore investment is awaited from Maruti Suzuki India and Honda Cars India, taking the installed capacity to 2.2 mn vehicles annually in the next six to eight years.

A similar amount of investment has been readied by vendors of these companies. Around 100 of these have either set up facilities or are working on doing so. As for Gujarat, the CM said the government planned to take the share of automotive industries in its overall engineering output to 10 per cent by 2020, from a current 3.7 per cent.

Snippets from PM Narendra Modi's Singapore Visit on 29 March, 2015

The Prime Minister, Shri Narendra Modi meets Singapore DPM Mr. Tharman Shanmugaratnam



The Prime Minister, Shri Narendra Modi meets President of Israel, Mr Reuven Rivlin

The Prime Minister, Shri Narendra Modi meets Prime Minister of Australia, Mr Tony Abbott

The Prime Minister, Shri Narendra Modi with former President of USA , Mr Bill Clinton

The Prime Minister, Shri Narendra Modi with High Commission Officials & Staff

Visit of Andhra Pradesh Chief Minister Mr. Chandra Babu Naidu to Singapore, 30-31 March, 2015

Chief Minister being presented with phase 1 of the capital city master plan which will be revised.

Minister S. Iswaran making opening remarks at the business seminar

Signing of MoU with Asia Competiveness Institute of LKY School of Public Policy and CII

Chief Minister addressing the Singapore Companies

Chief Minister and High Commissioner of India, Singapore

FORTHCOMING EVENTS >>>> *INDIA*

I. First Global Exhibition on Services (GES) - 2015

Date: 23-25 April, 2015

Venue: New Delhi, India

Organizer: Ministry of Commerce and Industry, Government of India, Services Promotion Council (SEPC) and Confederation of Indian Industry (CII)

Contact : www.gesdelhi.in

Details: The main objective of the event is to enhance strategic cooperation between the countries of the Rest of the World and India for promoting services trade. The focus sector for the first GES are : Education, Energy and Environment, Healthcare, IT and Telecom, Tourism, Logistics, Media & Entertainment, Professional Services, Energy and Environment, Space and Satellite, R&D.

II. Techtrade 2015

Date: 16-20 April, 2015

Venue: Ahmedabad, India

Organizer: ASSOCHAM Gujarat along with Immortal Info

Contact : **http://www.techtrade.co.in/**

Details: Techtrade 2015 is an international trade show focusing on engineering, machinery, automation, energy & safety allied products and services.

TENDER NOTICES >>>> *INDIA*

Tender invitation for procurement of High Throughput SNP Genotyping System

Central Potato Research Institute, Shimla , URL: www.drdo.org

Closing Date : 5 May, 2015

High Commission participated in Café Asia 2015 from 19-21 March and promoted the "Make in India" campaign

Notifications

Securities and Exchange Board of India

Change in investment conditions for FPI investments in Government Debt Securities

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1423136829975.pdf

Facilitating transaction in Mutual Fund schemes through the Stock Exchange Infrastructure.

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1418184464337.pdf

Modification to Offer for Sale (OFS) of Shares through stock exchange mechanism

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1417587496337.pdf

Ministry of Corporate Affairs

The Companies (Central Government's) General Rules and Forms Amendment Rules, 2014.

http://www.mca.gov.in/Ministry/notification/pdf/CCINotificationGSR815.pdf

Reserve Bank of India

Foreign Exchange Management Act, 1999 – Import of Goods into India

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9567&Mode=0

Overseas Investments by Alternative Investment Funds (AIF)

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9396&Mode=0

Ministry of Finance

Auction for Sale (re-issue) of Government Stock Dated 15th December, 2014(295 KB)

http://finmin.nic.in/press_room/2014/AuctionSale15122014.pdf

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

India successfully launches IRNSS-1D, fourth of seven navigation satellites

TNN, Mar 28, 2015

India took another step towards putting in place an alternative to the American GPS on Saturday, putting in orbit IRNSS-1D, the fourth of the seven satellites that would form a navigation satellite network.

Polar Satellite Launch Vehicle (PSLV-C27) lifted off from Satish Dhawan Space Centre, Sriharikota at 5.19pm and placed IRNSS (Indian Regional Navigation Satellite System)-1D weighing 1,425kg in a sub-geostationary orbit after a 20minutes flight.

With the launch of IRNSS 1 D, four active satellites will be transmitting navigation signals. This meets the minimum number of satellites required for the system to be fully functional enabling a navigation receiver to compute position.

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. Is a non-resident permitted to acquire share on stock exchange under FDI scheme?

Ans: Prior to issuance of A.P (DIR Series) Circular No. 38, dated September 6, 2013, no person resident outside India except a portfolio investor was allowed to acquire shares on stock exchange.

Portfolio Investors registered with SEBI namely FII and QFI were eligible to acquire shares on stock exchange in accordance with the requirements. Further, NRIs were also permitted to acquire shares on stock exchange, on repatriation and non-repatriation basis, in accordance with portfolio investment scheme for them.

With effect from August 5, 2013 (date of publication of relevant notification), a non-resident, other than portfolio investor, is eligible to acquire shares on stock exchange through a registered broker subject to the condition that the non-resident investor has already acquired and continues to hold the control in accordance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations i.e. he has complied with the minimum stake requirement under SEBI Regulations.

Q. What will be the pricing norms for a non-resident permitted to acquire share on stock exchange under FDI scheme?

Ans: He shall acquire shares at the ruling market price.

Source: RBI

For Feedback & Comments, please contact:
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