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India Focus

Finance Minister, Mr. P. Chidambaram at SADC 2013 in Singapore

this issue

BILATERAL

Finance Minister Shri P. Chidambaram Makes a Special Address on

"Opportunities and Challenges for Diaspora Investments in India" —EXCERPTS

"..Let me begin by speaking to you on the India Opportunity.

India's potential growth rate is 8 percent and above. In the best year, the savings rate was 36.8 percent and the investment rate was 38.1 percent. In the worst years, the savings and investment rates were 30.8 percent and 32.8 percent respectively. Between 2005 and 2008, India achieved its potential - in fact exceeded it - and recorded growth rates of over 9 percent. During the 20-year period from 1991 to 2011, the average growth rate was 7 %

The key to sustain a high growth rate is investment. Other factors are also important. The fiscal deficit must be contained below the widely-accepted norm of 3 % of GDP. The Current Account Deficit must be capable of being financed safely. Inflation, even allowing for the space required by a developing economy, must be moderate. The exchange rate must be resilient even while it is insulated against speculative attacks and excessive volatility... **Cont on P.7**

TOP NEWS » ECONOMY

CAD to be 2.5 to 2.7 per cent of GDP: Montek

The Hindu, November 28, 2013

Deputy Chairman of Planning Commission Montek Singh Ahluwalia, on Wednesday, said that the current account deficit for the fiscal 2013-14 would be lower than 3 per cent of the GDP.

Speaking on in the sidelines of an academic session at the Indian School of Business, he said, "it will be in the range of 2.5 to 2.7 per cent and may not be above that. The fiscal deficit will be in the range of 4.8 per cent," he said. The second-half of the year will do significantly well, according to him. The ongoing infrastructure projects in the the country were expected to give a boost to the economy, he said. The decline of the rupee should not be a concern, he added. "The growth will be good going forward. It may not be robust but significantly better. The economy has bottomed out, and it is destined to come back. The growth could be over 6 per cent," he said.

He said there would be a lot of investment flow in the next fiscal. This would add tremendous support to the economy, he added. However, Mr. Montek said, the six months before polls usually witnessed a slowdown due to a substantial dip in policy activity by the government and expected slow response from the system.

India's headline inflation seen easing to near 5%: Chidambaram

Reuters | Singapore | Updated: Nov 21 2013

India's annual headline inflation is expected to moderate to near 5 % as there was reasonable price stability in some major commodities, the finance minister said. Mr. P. Chidambaram made the comment in a lecture at the National University of Singapore.

India's wholesale price index based headline inflation rose to an eight-month high in October at 7 percent, driven by costlier fuel and manufactured goods, raising the prospect of a fresh interest rate hike.

Chidambaram also said the fiscal deficit target of 4.8 % of GDP in 2012/13 would not be breached under any circumstances, even as many private economists say the deficit could cross the 5 % mark.

India most attractive investment destination: EY

Press Trust of India | Updated On: November 24, 2013

New Delhi: With relaxation in foreign direct investment (FDI) norms to boost investor sentiments, India has emerged as the most attractive investment destination surpassing China and the US, according to a report by leading consultancy firm EY, which was earlier known as Ernst & Young.

EY's global survey has ranked India as the most attractive investment destination, followed by Brazil and China at second and third positions, respectively.

While Canada has secured the fourth spot, the US is placed at No. 5. Other nations in the top 10 are South Africa (6), Vietnam (7), Myanmar (8), Mexico (9) and Indonesia (10).

"With sharp currency depreciation and opening up of FDI in various sectors, India has become an attractive destination for foreign investors," EY said.

In August, the government announced relaxation in FDI norms in many sectors, including multi-brand retail and telecom.

According to the global consultancy firm, due to the current macro-economic pressures and heavy debt pile, several Indian companies are looking to divest non-core businesses.

"This has created a large opportunity for foreign players vying for a greater role in the Indian market," it added.

When it comes to investments, the US, France and Japan have emerged as "top three investors likely to invest in India".

The findings are a part of EY's latest Capital Confidence Barometer report, based on a survey of about 1,600 senior executives from large companies across 70 countries. It aims to gauge corporate confidence in the economic outlook and understand boardroom priorities, among others. With respect to India, sectors with the highest level of anticipated deal-making include automotive, technology, life sciences and consumer products.

About 38 per cent of the respondents felt that M&A volumes in India are expected to improve over the next 12 months.

"Indian companies also reflect a concerted focus on job creation as well as optimising operations to deliver cost reduction," the report said.

Investor outlook for India remains positive, despite the challenges the country's economy has faced in the recent past, according to Amit Khandelwal, national leader and partner (transaction advisory services) at EY.

On the other hand, the report said that Indian corporate entities have started looking at developed markets for making acquisitions.

"After two years, European countries (UK and Germany) have made a comeback on the potential investment destinations list for Indian companies," it added.

Government approves twenty proposals of foreign direct investment (FDI) amounting to Rs 915.83 Crore

Press Information Bureau: November 20, 2013

Based on the recommendations of Foreign Investment Promotion Board (FIPB) in its meeting held on October 24, 2013, the Government of India has approved 20 proposals of Foreign Direct Investment (FDI) amounting to Rs. 915.83 crore approximately. In addition, one proposal viz., M/s Federal Bank Ltd., Kerala, amounting to Rs. 1400.00 crore has been recommended for consideration of Cabinet Committee on Economic Affairs (CCEA).

India gets on the highway to growth in Southeast Asia

Business Standard: November 20, 2013

New Delhi: As India readies to sign the free trade agreement on services and investment with the Association of Southeast Asian Nations (Asean), taking bilateral trade relations to the next level of a comprehensive economic partnership agreement, the focus is on the laying out of a massive road connectivity plan to tie the region together to boost economic objectives.

To start with, India has proposed extending the trilateral highway project connecting India, Myanmar and Thailand to neighbouring Cambodia and Vietnam. The idea is to set up special economic zones along this highway and provide seamless connectivity through these countries by 2016, by when the projects are expected to become operational. Right now, work is on to repair and strengthen 71 bridges that link this stretch.

To ensure greater success of this highway project, Prime Minister Manmohan Singh proposed an Asean-India Transit Transport Agreement (AITTA) at the India-Asean Summit in Brunei Darussalam last month. Once the agreement comes into force -likely by 2015- vehicles from association countries will be able to cross international borders without much documentation.

Total bilateral trade between Asean and India reached $75.6 billion in 2012, surpassing the target of $70 billion. Now, with the implementation of the India-Asean comprehensive economic partnership, the target for two-way trade has been set at $100 billion by 2015, for which an integrated transport network would be the key.

At present, the market is fragmented and the patchy road network is a stumbling block for free flow of goods and services. This, along with administrative and technical barriers, increases costs and leads to transportation delays, says a study by New Delhi-based think tank Research and Information System for Developing Countries on Asean-India connectivity.

While road links are being developed, the proposed AITTA will make crossing the border easier. "AITTA will allow vehicles to move seamlessly across international borders or regional and international trade transportation purposes. AITTA should be in position before the trilateral highway is operationalised in 2016. Potentially, it can be a game changer which will allow us to reap the full benefit of India-Asean free trade agreement, regional comprehensive economic partnership and enhanced connectivity," says Ashok Kantha, secretary (East), ministry of external affairs.

The master plan on Asean road connectivity was adopted at the India-Asean Summit in 2010. The benefits from the highways, which are scheduled to be completed by 2016, are manifold. They would improve connectivity, bring India closer to Asean, reduce trade costs, help exploit the country's comparative advantage in certain products, expand markets, as well as reduce poverty and improve the quality of life for the people in the region. A smooth road network would also provide substantial benefits to other countries, particularly to landlocked and island nations by giving them low-cost access to a wider market outside, the report said.

India already has a goods agreement in place. It came into force in August 2011 and provides tariff-free access to a range of products, including textiles, pharmaceuticals, chemicals, engineering goods, processed food and auto parts. The likely addition of services and investments to this list of free-trade items in the not too distant future would open up new opportunities for Indian IT and healthcare professionals, designers and researchers.

In addition, India is also contemplating expansion of rail network into Myanmar. The rail head terminates at Jiribam in Manipur. A project to connect Jiribam to the capital Imphal is under way and is slated to be completed by 2017, while proposals on connecting Moreh (Imphal) to Tamu-Kalay (Myanmar) is being considered by the external affairs ministry.

At the same time, work is also on for developing soft infrastructure such as trade facilitation centres and telecommunication, necessary for any economy to function and thrive. Boosting maritime connectivity is on the agenda as well. India has proposed the establishment of a Maritime Transport Working Group between India, Myanmar, Thailand, Cambodia and Vietnam to examine the feasibility of shorter shipping routes. This idea was initially mooted by Thailand which wants a more direct sea transport route to India via the Dawei port in Myanmar, which is a deep sea port. Right now ships have to be routed via Singapore to reach India.

BANKING/FINANCE

New banks: RBI favours easing licensing norms

PTI

The Reserve Bank of India on Thursday favoured liberalisation of bank licensing policies which otherwise could hinder entrance of new players and have an adverse impact on the economy and consumers.

"Regulators need to ensure that their regulatory stance does not create barriers to the entry or exit of institutions or result in unwarranted costs to the economy and consumers," the RBI said in its annual 'Trends and Progress of banking in 2012-13' report.

"Instead regulation should impose restrictions on institutions is such a way that it does not cause a moral hazard problem," the report said.

It could be noted that the RBI is in the process of issuing new banking licenses. It has received as many as 26 applications for bank licences on the close on July 1.

The RBI is likely to issue new banking licences in January 2014.

The RBI said one of it's discussion papers favours 'continuous authorisations' of new banks and explores the possibility of converting large urban co-operative banks into commercials banks to impart dynamism to the banking system.

"However, this is not to undermine the need for ensuring sufficiently stringent entry norms to prevent the entry of banks of questionable soundness or competence, since their proliferations could undermine public confidence of the overall integrity of the banking system," the RBI said.

Tata Group and firms controlled by billionaires Anil Ambani and Kumar Mangalam Birla are among those which applied for bank licences.

Among public sector units, India Post, LIC Fome Finance and IFCI have submitted applications. Microfinance institutions such as Bandhan Financial Services and Janalakshmi Financial, too, have expressed their intention to set up banks.

The RBI had issued guidelines for new banks on February 22, and came out with clarifications in the first week of June.

In the past 20 years, the RBI has issued licence to 12 banks in the private sector in two phases. Ten banks were licensed on the basis of guidelines issued in January, 1993, and two in the second phase.

The guidelines were revised in January, 2001, based on the experience gained from the functioning of these banks and fresh applications were invited. Kotak Mahindra Bank and Yes Bank were the last two entities to get banking licences in 2003-04.

No tax on foreign banks converting to WoS: RBI

The Hindu, November 27, 2013

The Reserve Bank of India has clarified that conversion of existing foreign bank branches into wholly-owned subsidiaries in India will not attract any capital gains tax nor stamp duty.

"In this context, it may be indicated that Government of India has inserted, by the Finance Act, 2012, a new Chapter XII-BB titled 'Special Provisions relating to Conversion of Indian Branch of a foreign bank into a subsidiary company' in Income Tax Act, 1961, inter alia, exempting capital gains arising from such conversion from capital gains tax, with effect from April 1, 2013,'' the RBI said in a release.

On the applicability of stamp duty in the case of conversion of existing branch of a foreign bank into a wholly-owned subsidiary, the RBI pointed out that "a new section '8E' had been inserted in Indian Stamp Act, 1899 vide Banking Laws (Amendment) Act, 2012 notified in Gazette of India Notification dated January 18, 2013, exempting from stamp duty on any conversion of a branch of a foreign bank into wholly-owned subsidiary or transfer of shareholding of a bank to a holding company in terms of the scheme or guidelines of RBI.''

This clarification comes in the wake of RBI receiving several queries from foreign banks on capital gains tax and incidence of stamp duty on conversion of existing foreign bank branches into wholly-owned subsidiaries.

The RBI issued the 'Framework for setting up of wholly-owned subsidiaries by foreign banks in India' on November 6.

The apex bank had said that foreign banks with complex structures and which did not provide adequate disclosures would have to operate in India only through wholly-owned subsidiaries (WoS) in order to regulate and avoid 2008-type crisis.

Listing

While allowing foreign banks to list their subsidiaries in the local stock exchanges, the RBI had prescribed that the minimum paid-up equity capital or net worth for a WoS would be Rs. 500 crore.

However, it gave the foreign banks operating in India before August 2010 the option to continue their operations in branch model.

There were 43 foreign banks in India with a network of 333 branches as of March 2013. At present, foreign banks have presence in India only through branches.

RBI eases investment norms for NBFCs in insurance ventures

PTI | Mumbai | Updated: Nov 28 2013

The Reserve Bank today relaxed norms for non-banking finance companies (NBFCs) in insurance joint ventures by allowing them to hold more than 50 per cent in such companies.

"On a review, it has been decided that in cases where IRDA issues calls for capital infusion into the insurance JV company, the bank (RBI) may, on a case-to-case basis, consider need-based relaxation of the 50 per cent group limit," the Reserve Bank of India said in a notification.

The relaxation is subject to compliance by the NBFC with all regulatory conditions, it said.

The Insurance Regulatory and Development Authority (IRDA) often requires an insurance company to expand its capital, taking into account stipulations of the Insurance Act and its solvency requirements, the RBI said.

The limit on NBFC holdings may act as a constraint for the insurer in meeting the IRDA requirement, it added.

As per existing norms, an NBFC cannot hold more than 50 per cent of the paid-up capital of an insurance joint venture.

A subsidiary or company in the same group of an NBFC or of another NBFC engaged in the business of a non-banking financial institution or banking is not allowed to join the insurance company on a risk participation basis.

RBI to launch CPI-indexed bonds by December end

PTI

The Reserve Bank on Monday said it will launch CPI-indexed bonds aimed at protecting the savings of retail investors from the impact of price rise by the end of next month.

"Guidelines will be out soon...We are likely to launch the first tranche before end of December. We will come out with details (quantum)," RBI Deputy Governor H R Khan said on the sidelines of a National Housing Bank event.

"This year it should be between Rs 10,000-15,000 crore (wholesale price and consumer price indexed bonds) but exact amount will come out. This is part of overall borrowing programme," he said.

The RBI in its policy statement last month had said inflation-indexed securities for retail investors of 10-year tenor would be linked to the new (combined) consumer price index.

Interest would be compounded half-yearly and paid cumulatively at redemption, according to the statement.

Inflation-indexed bonds were designed to offer investors an option to guard their savings against price rises and dissuade them from buying gold. The bonds are part of the government's borrowing programme.

The government had announced plans to issue Rs 12,000-15,000 crore of inflation-indexed bonds with 10-year maturity in tranches during the current financial year.

While the first series of bonds was open to all categories of investors, the second series will be exclusively for retail investors.

BUSINESS

Cadbury's largest plant in Asia-Pacific to come up in AP

The Hindu Business Line: November 28, 2013

Hyderabad: Cadbury India on Wednesday signed a memorandum of understanding with the Andhra Pradesh Government that will see it set up its largest manufacturing plant in the Asia-Pacific region.

The proposed plant, which is to come up on a 134 -acre site in SriCity, Chittoor, with an initial investment of Rs 1,000 crore, will be functional by mid-2015.

Part of the $35-billion Mondelez International Inc, Cadbury India plans to develop the project in four phases by 2020, eventually increasing its annual production capacity to 250,000 tonnes.

Manu Anand, President-India & South Asia, said the plant will be able to serve the southern region and possibly other markets as it gets implemented in phases.

India is rated among the top 10 markets in the company's global business. The MoU was signed by Anand and K. Pradeep Chandra, Andhra Pradesh's Industries Principal Secretary, in the presence of Chief Minister N. Kiran Kumar Reddy and others.

"The plant will employ about 1,600 people when fully developed and account for nearly 50 per cent of Cadbury's overall capacity (it currently has six plants). Cadbury manufactures products under five broad categories: chocolates, powder beverages, gum, candy and biscuits," said Anand.

Typically, some of the suppliers, too, set up plants where Cadbury locates its facilities, he added.

The Chief Minister said Chittoor being the home of dairy companies has capacity to supply Cadbury about 500,000 litres of milk per day, initially, and possibly 100,000 litres per day by phase two of the project. And the demand of about 200 tonnes of sugar per day could boost the prospects of sugar mills.

He said that in the three years since he took over as the Chief Minister, he had cleared proposals worth Rs 1.35 lakh crore, covering 75 factories, making AP a favoured destination for investments.

Garment exports rise 31% in October

The Hindu Business Line: November 22, 2013

New Delhi: India's garments exports increased by 31 per cent to $1.19 billion year-on-year in October 2013, pushed by increased demand from all major markets including the US and the EU.

With higher orders flowing in from all regions, except South Asia, garments have become one of the top growing export sectors. India's total exports during October posted a 13.47 per cent growth to $27.27 billion.

'Efforts pay off'

"Our efforts and investments in the right markets coupled with Government support have paid dividends. It was indeed a difficult time (global slowdown), but between opportunity and crisis trade-offs, we kept on looking for better and newer markets, kept innovating our products as well as making robust our compliance practices," Apparel Export Promotion Council A. Sakthivel said in a release.

Sakthivel said because of the high quality of garments, India had become a preferred sourcing destination for brands like Zara, Gap, H & M, Mango, Elcorte, Desigual, Tommy Hilfiger, etc. and prominent chain stores such as Walmart, C&N, H & M, JC Penny, Target, Sears, Marks & Spencers and H&M.

In January-September, US imports of apparel from India increased by 5 per cent to $2.5 billion.

India's export to EU in the January-July period was 1 per cent higher compared to the previous year amounting $3.4 billion.

EU was the top destination for garment exports by India followed by the US and West Asia.

BILATERAL

GIC, Ascendas to invest Rs 3k cr in India real estate

Business Standard, November 20, 2013

Both entities set up 'the Ascendas Indian growth programme' where GIC will be principal investor

GIC, Singapore government's wealth fund, and Ascendas, a developer-investor from the same country, will invest S$600 million (Rs 3,000 crore) in Indian property.

The companies have set up the Ascendas India Growth Programme with a targeted corpus of S$600 million, where GIC will be the principal investor, they said in a joint statement on Tuesday. They will invest in business spaces in cities including Bangalore, Chennai, Pune, the National Capital Region, Mumbai and Hyderabad.

"The target investments include business space developments that may have other complementary uses and pre-stabilised completed business space assets," the statement said..***Cont on P. 8***

Finance Minister Shri P. Chidambaram Makes a Special Address on "Opportunities and Challenges for Diaspora Investments in India"

EXCERPTS*.. Cont from P.1*

Any Government must be fully alive to these fundamental requirements of a stable and progressive economy. Given these fundamentals, it is investment that will determine the growth rate of an economy. I believe that there is no country in the world that requires so much investment as India does in virtually every sector of the economy. On infrastructure alone, the 12th Plan document covering the period 2012-2017 envisages an investment of USD 1 trillion, of which one-half is expected to come from the private sector. A few examples will illustrate the magnitude of the need and the challenge. In the power sector, the 12th Plan document projects an addition of 88,577 mega watts of capacity during the period of five years.In railways, we intend to add 10,000 kilometres of rail track while doubling 5,344 kilometres of rail track. In steel, we plan to enhance capacity from the current level of 84.4 MnT to 142.3 MnT. In the port sector, total capacity of our ports will increase from 702.8 MnT in 2012 to 884.6 MnT by 2017. We are now engaged in building 34 non-metro airports.

I may also give you the example of Delhi Mumbai Industrial Corridor. It will entail an investment of USD 90 billion. Together with the dedicated western freight corridor being built by the Railways, it will link Delhi to Mumbai's ports. It will cover a length of 1483 kilometres and pass through six States. There will be nine mega industrial zones of about 200-250 sq. kms each, high speed freight lines, and a six-lane intersection-free expressway connecting India's political capital to its commercial capital. Along the corridor, there will be three ports, six airports, a 4000 MW power plant, and a plug-and-play environment to promote manufacturing industries. Other corridors that are in the planning stage are the Chennai Bengaluru Industrial Corridor and the Bengaluru Mumbai Economic Corridor.

India can offer to the investor a variety of investment opportunities. There are Government securities and corporate bonds. There are mutual funds and Infrastructure Development Funds. We can offer equity in our public sector enterprises that are under the disinvestment programme. There is a clutch of projects in the oil and gas sector that will welcome strategic investors. Shortly, we will offer a public sector Exchange Traded Fund that will allow you to buy units backed by underlying equity shares. Private promoters have offered a number of specific projects in sectors such as roads, power, urban infrastructure, ports and water transportation, and in Special Economic Zones.

Just as India and other developing countries need investment, let us also remember that the capital surplus countries need to invest. They cannot invest in their domestic economies alone. Given the increase in their savings and their ageing populations, they need to find investments that will give them higher returns over a long term. They need to find avenues of investment for their growing pension funds and sovereign wealth funds. The Indian equity market has given a compounded annual growth rate of 15.8 percent over the 10-year period 2003-2013. Government securities have given a return of 7.92 percent, 8.52 percent and 8.36 percent in the last three years. I believe that there are few markets in the world which give comparable returns.

Mindful of the fundamental factors that I mentioned earlier in my speech, we have taken a number of measures to stabilize the economy and give greater confidence to the investors. Last year, after I returned to the Ministry of Finance, I announced a new fiscal consolidation path under which the fiscal deficit would be contained at 5.3 percent in 2012-13 and reduced every year until it reached 3 percent in 2016-17. At the end of March, 2013, we did better than the target and the fiscal deficit was contained at 4.9 percent. For the current year, I have drawn a red line at the original target of 4.8 percent and I have made it clear that the red line will not be breached under any circumstances. The Current Account Deficit for 2012-13 was at a challenging level of USD 88 billion. In the current year we have taken a number of measures - some of them like compressing gold imports have already yielded results - and I am confident that the CAD will be contained at a level well below USD 60 billion and that it will be fully and safely financed.

Inflation has been more intractable. Both the Wholesale Price Index (WPI) and the Consumer Price Index (CPI) are driven by food inflation. The weights of food items in the two indices are 24.3 percent and 46.2 percent, respectively. It may surprise you that there is reasonable stability in the prices

Finance Minister Shri P. Chidambaram Makes a Special Address on "Opportunities and Challenges for Diaspora Investments in India"

EXCERPTS.. *Cont from P.1*

of major commodities such as wheat and rice. Sugar prices have actually fallen by about Rs.6 per kilogram. However, prices of fruit, vegetables, meat, milk and eggs are elevated and are driving the inflation rate. Several steps, including increase in the policy rate, have been taken and we hope that the WPI-based inflation rate will moderate to a level below 5 percent.

The exchange rate witnessed a period of considerable volatility during May to August this year. The reasons are well known. Many currencies were affected. The Reserve Bank of India took a number of steps - some that were clearly emergency steps - and once volatility was contained, some of those steps were reversed. We believe that the exchange rate of the rupee today is a better reflection of its true value and we are confident that both volatility and speculation have been largely contained. The excellent market response to the rupee bond floated by IFC two days ago indicates market confidence in the Indian rupee, although I would hesitate to draw conclusions at this stage.

All these, in my view, augur well for attracting more investments.

Cont from P. 6..Experts say commercial properties in India offer a great opportunity for investors. "It (GIC-Ascendas announcement) signifies a phenomenal intent in a scenario when very few people are looking at India. It is up to discerning investors who understand and appropriate long-term potential in commercial properties here," said Ambar Maheshwari, managing director, corporate finance, property consultant Jones Lang LaSalle.

DBS Bank to open 50 branches in India in 3 years

ET Bureau Nov 21, 2013

MUMBAI: Singapore-headquartered DBS Bank plans to open 50 branches in India over the next three years, one of its top executives said, a move aimed at benefiting from the country's new policy for foreign lenders.

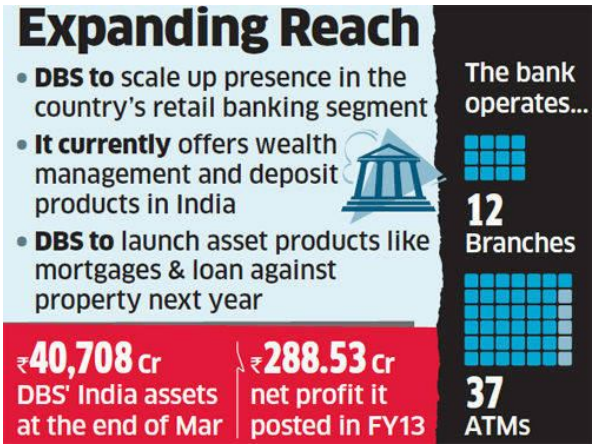
"We are among the few foreign banks that have been open to go the WOS (wholly owned subsidiary) route," said Rahul Johri, executive director and head, consumer banking group, DBS Bank. "Our hiring has been done with that thought process. There are some open items on the time frame in which foreign banks have to meet the 40% priority sector norms and clarity on stamp duty and capital gains."

As part of a move to reform the country's financial sector, the Reserve Bank earlier this month said foreign lenders that move to a wholly owned subsidiary structure will be given nearly equal treatment as local banks.

Although the new policy gives international lenders an opportunity to expand more freely in the country, it failed to enthuse banks such as Citigroup, Standard Chartered Bank, HSBC and Deutsche Bank, who say they are in no hurry. DBS, however, plans to scale up its presence in the country's retail banking segment. The Asia-focused bank currently offers wealth management and deposit products in India.

"We expect our retail banking operations to be profitable by 2015. We have 23,000 clients and we will add another 8,000 next year, which will help us extract greater value," Johri said.

The bank's retail operations posted a net loss of Rs 62.48 crore at the end of March 2013. According to Johri, DBS will launch asset products like mortgages and loan against property in the first quarter of next year. To play a bigger role in the government's financial inclusion agenda through services in unbanked areas, DBS plans to set up smaller branches to make them cost-effective.



"We will leverage on mobile banking to bring down the cost of operations in rural centres. The bank could also consider aligning itself with some MFIs," he said.
DBS, which entered India in 1995, is the fourth largest foreign bank in India with assets of Rs 40,708 crore at the end of March. It operates 12 branches and 37 ATMs in the country. The bank's net profit for year ended March stood at 288.53 crore, compared with Rs 335.52 crore a year ago

Temasek gains foothold in B'wood

Bloomberg November 28, 2013

Fullerton now holds 8.7% in Eros, valuing the stake at about $22 mn, according to data compiled by Bloomberg

Fullerton Fund Management Co, owned by Singapore's Temasek Holdings Pte, bought a stake in Indian film distributor Eros International Plc, gaining a foothold in Bollywood.
Temasek purchased a stake through one of its units on November 13, the day Mumbai-based Eros began trading on the New York Stock Exchange, according to a November 25 filing with the US Securities and Exchange Commission. Fullerton now holds 8.7 per cent in Eros, valuing the stake at about $22 million, according to data compiled by Bloomberg. The filing didn't say what Fullerton's previous stake in Eros was.

Singapore's government-owned investment firms have expanded in India to capture growing wealth in Asia's third-largest economy. Temasek invested $102 million in Godrej Agrovet Ltd, a producer of agricultural products, in its financial year ended March, while GIC Pte last week said it plans to invest as much as $480 million in Indian real estate.

"Eros International's rationale to get NYSE-listing was to get a wider range of investors, which has been proven right by the Temasek investment," Urmil Shah, a Mumbai-based analyst at Kim Eng Securities Pvt, said in a phone interview.

Financial Tech sells Singapore arm to ICE for $150 m

PTI

Financial Technologies India Ltd (FTIL), on Tuesday, announced the sale of its Singapore-based bourse SMX for $150 million (Rs.931 crore) to Atlanta-headquartered IntercontinentalExchange (ICE).
Jignesh Shah-led FTIL operates commodity bourse MCX, stock exchange MCX-SX and the crisis-hit National Spot Exchange in India.
FTIL holds its stake in the Singapore multi-product exchange through a wholly-owned subsidiary Financial Technologies Singapore Pte Ltd.
In a regulatory filing to stock exchanges in India, FTIL said its Singapore subsidiary had signed an agreement to sell 100 per cent of its equity in Singapore Mercantile Exchange (SMX) to ICE Singapore Holdings, an entity owned by U.S.-based ICE group, for $150 million.

Indian Angel Network to invest in startups in UK, Singapore

The Economic Times: November 26, 2013

New Delhi: The Indian Angel Network, the country's oldest and largest angel investor network, will now scout for investment opportunities in the United Kingdom and Singapore. The decision to invest in UK and Singapore-based early-stage ventures has been taken to provide companies in its portfolio access to global markets, tap into the Indian diaspora as well as to rope in international investors to participate in domestic startups, according to IAN co-founder Saurabh Srivastava. "A fifth of our members are based outside the country and they have identified great opportunities in these markets," said Srivastava. "The idea is to unlock as much early-stage capital as possible, because of its paucity," said tech evangelist and IAN member Sharad Sharma. IAN, which expects to have its British operations up and running within the next three months, has been working with various government institutions such as UK Trade and Investments and UK-based angel networks, as it looks to establish its presence there.
IAN will formally start its operations in Singapore in the latter half of 2014. In February, it had invested an undisclosed sum in Singapore and Seattle-based search portal startup Mobilewalla, a round that was led by its members Sharad Sharma and Venkat Raju. "We want to do this by design, rather than as one-off investments, which has happened earlier," Srivastava said.IAN, which looks to stay invested for about three to five years, has invested in over 40 ventures, across sectors such as internet, information technology, education, travel and tourism and mobile.

Notifications

Reserve Bank of India

Participation of NBFCs in Insurance sector

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=8596&Mode=0

Foreign investment in India - participation by SEBI registered FIIs, QFIs and SEBI registered long term investors in credit enhanced bonds

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=8563&Mode=0

Notification governing money changing activities – Location of Forex Counters in International Airports in India

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=8417&Mode=0

Investments by Non-resident Indians (NRIs) under Portfolio Investment Scheme (PIS) Liberalisation of Policy

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=8325&Mode=0

Central Board of Excise and Customs

Notification seeking to levy definitive anti-dumping duty on imports of 'Vitamin A Palmitate ', originating in, or exported from, Switzerland and People's Republic of China for a further period of five years

http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-30-2013.htm

Notification seeking to levy definitive antidumping duty on resin or other organic substances bonded fibre boards etc

http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-add2013/csadd-18-2013.htm

Circular regarding import of pets as baggage

http://www.cbec.gov.in/customs/cs-circulars/cs-circ13/circ15-2013-cs.htm

Notification seeking to further amend notification No. 30/98-Customs (N.T.), dated 2nd June, 1998, so as to raise the value limit of Jewellery allowed duty free to an Indian passenger who has been residing abroad for more than one year.

http://www.cbec.gov.in/customs/cs-act/notifications/notfns-2013/cs-nt2013/csnt25-2013.pdf

Income Tax Department

Circular on application of profit split method

http://law.incometaxindia.gov.in/DIT/File_opener.aspx?page=CIR&schT=&csId=a4641a4f-a3e3-4a9f-91d9-4035af1daa95&crn=&yr=ALL&sch=&title=Taxmann%20-%20Direct%20Tax%20Laws

FORTHCOMING EVENTS >>>> *INDIA*

ELECRAMA-2014

Date: 8-12 January, 2014

Venue: Bangalore International Exhibition Centre, Bangalore

Organizer: The Indian Electrical & Electronics Manufacturers' Association

Contact: www.elecrama.com

Details: The exhibition is supported by the Ministry of Heavy Industries & Public Enterprises, Ministry of Power, and Ministry of Commerce & Industry, Government of India. ELECRAMA showcases products and technology through the entire voltage spectrum, from 220 V to 1200 kV, conforming to global standards and specifications. ELECRAMA-2014 is designed to maximise event experience by its multilateral approach, through a range of concurrent events that brings together a wide gamut of industry stakeholders.

India International Handwoven Fair

Date: 12-14 March, 2014

Venue: Chennai Trade Centre, Chennai

Organizer: The Handloom Export Promotion Council (www.hepcindia.com)

Contact: www.iihfchennai.com

Details: During this 4th edition of IIHF, 200 domestic manufacturers/exporters from all over India producing handwoven products and 150 buyers from around the world would be participating. Products ranging from home textiles, made-ups, silk products, floor coverings, woolen handlooms, fashion accessories etc would be displayed. The Council would like to invite buyers to attend this event & selected buyers will be eleigible for the following complimentary package

- Restricted economy class onward and return airfare
- Hotel accommodation for three nights during the fair

TENDER NOTICES >>>> *INDIA*

Tender invitation for Procurement of Kelly Swivel.

Oil and Natural Gas Corporation limited , URL : https://etender.ongc.co.in

Closing Date : 16th December, 2013

Cadila Pharma launches new lung cancer drug

November 21, 2013 , The Hindu

Cadila Pharmaceuticals launched a new lung cancer drug, Mycidac-C. The drug is priced at Rs.40,000 for a 10-course injection, much cheaper than the drugs manufactured and sold in the market by multinational companies at present.

The drug, which will be available in the market in India early next month, has been developed by Cadila after 15 years of research. The new drug has been licensed and approved by the Drug Controller General of India (DCGI).

Mycidac-C is meant for patients suffering from non-small cell lung cancer (NSCLC).

"The drug is affordable, and is many times cheaper than what out competitors are offering. We have invested heavily and took thousands of scientific hours and millions of experiment to develop the drug,'' Cadila Pharmaceuticals Chairman and Managing Director Rajiv I. Modi told reporters here.

Giving a comparison on the affordability of Mycidac-C, he said Roche's Avastin, which is also used for similar treatment, costs Rs.37,000 for a single vial, while the new drug from Cadila will cost Rs.40,000 for a full course of 10 injections required during chemotherapy.

The drug would be manufactured at the Cadila's Dholka facility near Ahmedabad, in Gujarat.

Events

South Asian Diaspora Convention (SADC)- 21 & 22 November 2013

The 2nd South Asian Diaspora Convention (SADC), was held in Singapore from 21 to 22 November, 2013.It was hosted by Institute of South Asian Studies (ISAS) of National University of Singapore (NUS). Hon'ble Finance Minister, Sh. P Chidambaram delivered keynote address during the Ministerial Dialogue on 'Opportunities and Challenges for Diaspora Investments in India' on 21st November at SADC 2013.

Assam Chief Minister visits Singapore

High Commissioner, Ms. Vijay Thakur Singh, dons the hat gifted by Assam Chief Minister, Shri. Tarun Gogoi

Hon'ble Chief Minister of Assam, Sh. Tarun Gogoi visited Singapore to attend SADC 2013. He delivered the keynote address on 22nd November – topic was 'South Asia – ASEAN Land Connectivity : Investment Opportunities for the Diaspora'. The Chief Minister also called on Mr. K Shanmugam, Minister for Foreign Affairs and Minister for Law, Singapore on 22nd November, 2013. The Chief Minister had fruitful meetings with Jurong Town Corporation, National University of Singapore, Resorts World Sentosa and undertook a tour of the Land Transport Gallery at LTA (Land Transport Authority) during the course of his 3 day visit to Singapore.

CII Core Group Visit to Singapore-21 & 22 November 2013

The CII Core Group, led by Mr S Gopalakrishnan, President CII and Co-Founder & Executive Vice Chairman of Infosys Ltd, made its 20th annual visit to Singapore on 21-22 November 2013.

For Feedback & Comments, please contact:
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