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India Focus

this issue

BUSINESS

Singapore pips Mauritius as India's top FDI source

Press Trust Of India , Dec 7, 2015

Singapore has replaced Mauritius as the top source of foreign direct investment (FDI) into India during the first half of the current financial year.

During April-September 2015, India has attracted $6.69 billion (Rs 43,096 crore) FDI from Singapore while from Mauritius, it received $3.66 billion (Rs 23,490 crore), according to data from the Department of Industrial Policy and Promotion (DIPP).

Foreign investment from Singapore was $2.41 billion in the year-ago period.

According to experts, the Double Taxation Avoidance Agreement (DTAA) with Singapore incorporates Limit-of-Benefit (LoB) clause, which has provided comfort to foreign investors based there to invest in India. "Investors are preferring Singapore to Mauritius as the LoB clause in India-Singapore treaty provides substance and certainty," said Krishan Malhotra, head of tax and an expert on FDI with corporate law firm Shardul Amarchand and Mangaldas. FDI from Singapore during the first six months of the current financial year ***...Cont on P. 8***

TOP NEWS

At 7.3%, India to remain fastest growing economy in 2016: United Nations

By PTI | 10 Dec, 2015, 10.07PM IST

UNITED NATIONS: India's economy is projected to grow by 7.3 per cent next year and will continue to be the fastest growing economy in the world in 2016 and 2017 amid a volatile global financial conditions that will see diminished trade flows and stagnant investment, according to a UN report released today.

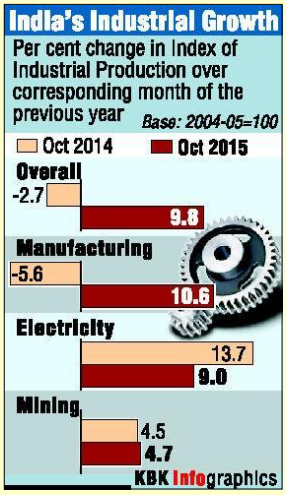
The United Nations World Economic Situation and Prospects (WESP) 2016 report said that India will record a 7.3 per cent economic growth in 2016 and 7.5 per cent in 2017.

While the growth is only a marginal improvement from the 7.2 per cent India achieved in 2014-15, the country will remain the fastest growing economy in the world in 2016 and 2017, the report said.

Industrial output climbs to 5-year high

The Hindu, *December 12, 2015*

With 17 of the 22 industry groups in the manufacturing sector showing a positive growth, the industrial output in October recorded a five-year high of 9.8 per cent year-on-year.



The higher growth was on account of a favourable base, as October 2014 registered a negative growth 2.7 per cent, as well as the pre-festive season ramp up in output.The industrial output in September 2015 was 3.6 per cent. The growth logged between April and October this year over the corresponding period of the previous fiscal was 4.8 per cent. Mining recorded 4.7 per cent year-on-year growth (versus 3 per cent in September), while manufacturing output was 10.6 per cent for the month (versus 2.6 per cent in September). Electricity output was seen at 9 per cent in October (versus 11.4 per cent last month).

The cumulative growth in these three sectors during April-October 2015 over the corresponding period of 2014 has been 2 per cent, 5.1 per cent and 5.2 per cent respectively. "Though manufacturing registered a high growth in October, the low base in major sectors like.. ***Cont on P. 4***

ECONOMY

India's July-Sept economic growth accelerates to 7.4%

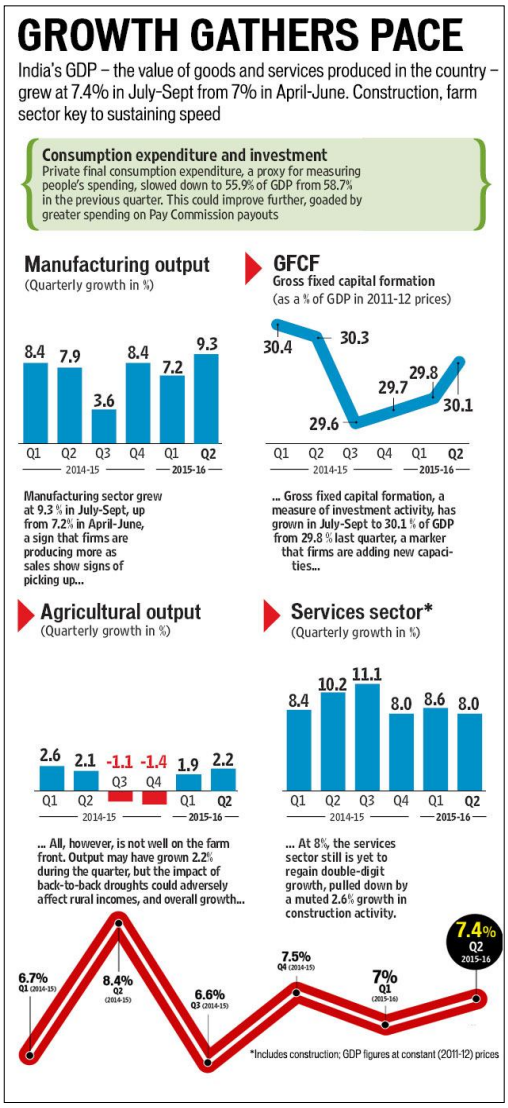
Hindustan Times, New Delhi, Dec 01, 2015

- India's gross domestic product (GDP) growth has accelerated to 7.4% during the July-September period from 7% in the previous quarter, but muted construction activity can potentially come in the way of a sustained revival.
- The construction sector grew by a modest 2.6% in the second quarter from 6.9% in the previous quarter and 8.7% in the year-ago period.
- Mounting bad loans, which have topped Rs 3 lakh crore, have made banks reluctant to lend to projects that are prone to delays. India would require about $1 trillion (`66 lakh crore) — half the value of the national GDP— over the next five years to overhaul its collapsing infrastructure.
- As of January 1, more than four out of 10 central infrastructure projects worth more than Rs 100 crore, were running behind schedule. As of January 1, of 738 such projects, as many as 315 were facing delays ranging from a few months to 21 years.
- The current government aims to build 30 km of highways every day, thrice more than the previous UPA government's target, which it had failed to achieve. The road and other infrastructure projects can spur economic activity, boost construction and create jobs.
- According to credit research firm Crisil, the construction sector is the most labour-dependent among all non-agricultural sectors, requiring more than 12 people to produce Rs 10 lakh worth of real output.

Prime Minister Narendra Modi had recently reviewed the progress of India's highway projects.

- In 2015-16, till October 31, nearly 2,900 kms of new highways has been built, translating into a construction speed of about 16 km a day. The government has set a target to build 6,300 kms of new highways in 2015-16, 45% higher than last year's 4,340 kms and 50% more than 4,225 kms built by the UPA government in 2013-14.
- A separate set of data also showed that the revival in India's eight "core" infrastructure sectors were wobbly. These sectors — coal, crude oil, natural gas, refinery products, fertilisers, steel, cement and electricity — grew to 3.2 % in October from 9% in the same month of the previous year. Together, these sectors account for nearly 38% of India's total industrial output. The cumulative growth in April-October of 2015-16 also stood at 2.5%, much lower than 5.6% in the first seven months of the last fiscal.
- Data released by the commerce and industry ministry showed that crude oil, natural gas, refinery products and steel recorded negative growth in October.
- "While the headline core sector growth was unchanged at 3.2%, upon disaggregation, the core industries displayed a mixed trend. Four of the eight industries recorded a disappointing contraction in October 2015," said Aditi Nayar, senior economist at ICRA Ltd, a credit rating and research firm.

"We expect industrial growth to improve further as measures taken by the government to improve ease of doing business, attract foreign direct investment and reduce bureaucratic red tape all provide support to industrial activity," Crisil said.



Goldman pegs India's GDP growth at 7.9% in FY17

By PTI | 10 Dec, 2015, 12.21AM IST

MUMBAI: Country's GDP is expected to grow by 7.9 per cent next fiscal driven by rising domestic demand and higher capital spending by the government, even though global economy will remain anaemic, Goldman Sachs said today.

India is already the fastest growing large economy and will remain so in FY 2016-17. We have positive views on the economy. The cyclical upturn will continue to be driven by the domestic demand," Goldman Sachs India chief economist Tushar Poddar told reporters here.

He said the investment demand will improve gradually, driven by greater government spending on infrastructure -- particularly railways and highways, lower interest rates, rising FDI inflows and ongoing improvements in ease of doing business, including some improvement in stalled projects. "Moreover, the economic activity can be boosted by both monetary and fiscal policy being looser next year," he said.

The Wall Street major further said the economy should also reap the benefits of the 125 basis points reduction in interest rates by the Reserve Bank and the continued weakness in commodity prices. "Higher productivity growth from improvements in technology, education and the ease of doing business (TEEs) can boost potential growth to 8 per cent from FY 2016-17 through FY 2019-20," Poddar said.

However, on the inflation side, he was not so sanguine, saying headline inflation will inch up to 5.3 per cent in FY 2016-17 as against the projected 4.9 per cent in FY 2015-16, driven by an uptick in both core and food inflation.

"We see upside risks to inflation. There is still a structural supply-demand imbalance in the food economy. Consumption growth rates remain much higher than production growth rates," Poddar added.

The inflation trajectory would be influenced by the effects of El Nino, which could add about 35 basis points to headline inflation and by a narrowing of the output gap.

"We see risks to our inflation forecasts skewed to the upside, both from higher food inflation, as well as the inflationary effects of the central government employees' wage hike and if GST were to be implemented in FY 2016-17," he added. Poddar further said while the RBI has retained the option of cutting rates again, the bar for another rate cut is not very high and expects the RBI to remain on hold through 2016.

"If the US Fed is going to hike rates by 125 bps (between now and end of 2016), and inflation is going to surprise on upside, and you have a pay commission wage hike, and if you get GST which will also have an inflationary impact, then the room for monetary easing is really limited," Poddar said.

On the current account deficit, he said it will widen to 1.7 per cent of GDP in FY17 from a projected 1.1 per cent of GDP in 2015-16.

"Our expectation of a larger improvement in domestic demand compared to external demand is the main cause, leading to a somewhat wider trade deficit," he said.

However, he added that there is no room for a larger deterioration given the continuing fall in oil and metal prices.

Balance of payments in FY17 will be in surplus due to rising FDI inflows, as well as some improvement in portfolio flows from their current low levels with improving growth prospects, he said.

The brokerage expects rupee to depreciate gradually against the dollar, with its three, six and 12 months forecasts at 66.5, 67 and 67.5 respectively, driven by a stronger greenback.

But there are significant risks to its rupee forecast due to the potential for capital outflows after a Fed rate hike, as well as from any sharp yuan devaluation.

"Therefore, we see risks to our rupee forecasts as tilted towards further depreciation," he said. He further said while the government has made progress in 'nuts and bolts' reforms such as ease of doing business, boosting FDI, infrastructure investment and financial inclusion, which has improved India's rankings in global indices, deeper structural reforms which involve legislative action have been difficult to achieve. "For 2016, we think that the most likely reforms are GST, a new bankruptcy code, reforming power distribution and the formation of a monetary policy committee," he said, adding there will be only limited impact of GST on growth in the short-term.

Industrial output climbs to 5-year high.. *Cont from P. 1*

capital goods and consumer durables has contributed significantly to this high growth. Nonetheless, the outlook for growth remains positive and can be strengthened in coming months if pace of reforms continues" said A. Didar Singh, Secretary General, FICCI.

"The global slowdown continues to impact trade and affect India's exports adversely thus impacting manufacturing growth especially when the domestic demand is also sluggish."

Furniture manufacturing segment has shown the highest positive growth of 138.9 per cent, followed by 48.4 per cent in 'office, accounting and computing machinery' and 47.5 per cent in 'radio, TV and communication equipment and apparatus', data released on Friday by the Ministry of Statistics and Programme Implementation showed.

However, the industry group 'Publishing, printing & reproduction of recorded media' registered the highest negative growth of (-) 10.2 per cent, followed by (-) 6.8 per cent in 'Medical, precision & optical instruments, watches and clocks' and (-) 2.9 per cent in 'Coke, refined petroleum products & nuclear fuel'.

Basic goods grew 4.1 per cent, while capital goods registered 16.1 per cent growth and intermediate goods 6.7 per cent.

Consumer durables and non-durables recorded a growth of 42.2 per cent and 4.7 per cent respectively, with the overall growth in consumer goods being 18.4 per cent.

Cabinet approves Central Legislation to declare 106 additional inland waterways as national waterways

Press Information Bureau: December 10, 2015

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval to carry out official amendments in "The National Waterways Bill, 2015". The amendments are based on the recommendations of the Department related Parliamentary Standing Committee on Transport, Tourism and Culture and comments of State Governments. It provides for enacting a Central Legislation to declare 106 additional inland waterways, as the national waterways. After the inclusion of 106 additional inlands waterways to the existing five national waterways, the total number of national waterways goes upto 111.

The number of waterways to be declared as new National Waterways is now proposed as 106 and adding the existing NWs, the total number of National Waterways in the bill goes up to 111. The following changes have been effected in the original list of 101 waterways that was introduced with the National Waterways Bill 2015, on 05.05.2015:- 10 waterways of Kerala have been omitted, 17 waterways have been merged with the existing waterways and 18 waterways (5 Karnataka, 5 Meghalaya, 3 Maharashtra, 3 Kerala, 1 each from Tamilnadu and Rajasthan) have been added, thus, making a total of 106 waterways that have been finalized for declaration as new National Waterways in addition to the 5 existing waterways. In order to carry out these changes, an official amendment to the National Waterways Bill, 2015 will have to be moved in the Lok Sabha in the current Session of Parliament.

Declaration of the above additional 106 waterways as National Waterways would not have any immediate financial implications. Financial approval of the competent authority for each waterway would, however, be taken based on the outcome of the techno-economic feasibility studies etc. that are being undertaken by the Inland Waterways Authority of India (IWAI) currently. IWAI will develop the feasible stretch of National Waterways for shipping and navigation purpose through mobilization of financial resources.

The declaration of these National Waterways would enable IWAI to develop the feasible stretches for Shipping and Navigation. The right over the use of water, river bed and the appurtenant land will remain with the State Government. In addition, other benefits to States are: fewer accidents, less congestion on roads, cheaper mode of ferrying passengers, reduced logistics costs in cargo movement and development of adjoining areas.

The expeditious declaration of National Waterways and its subsequent development will enhance the industrial growth and tourism potential of the hinterland along the waterway. This will also provide an additional, cheaper and environment friendly mode of transportation throughout the country.

Government exempts shipbuilding inputs from customs, excise duties

By PTI | 2 Dec, 2015, 03.12PM IST

NEW DELHI: To promote indigenous shipbuilding industry as part of the 'Make in India' initiative, inputs used in ship manufacturing and repair have been exempted from customs and central excise duties, the government today said.

"Inputs used in ship manufacturing and repair have been exempted from Customs and Central Excise Duties with effect from November 24, 2015," an official statement said.

Prior to this exemption, while ships could be imported at almost negligible rates of Basic Customs Duty (BCD) and nil rates of Countervailing Duty (CVD), the inputs used in ship manufacturing and repair attracted normal rates of BCD and CVD.

This had put the Indian shipyards, who build ships for the domestic market, at cost disadvantage. "Correction of this inverted duty structure was therefore necessary. With a view to counter the cost disadvantage to Indian shipyards and to promote indigenous shipbuilding industry as part of the 'Make in India' initiative, the Ministry of Shipping had taken up this issue with the Department of Revenue, Ministry of Finance," the statement by Ministry of Shipping said. Ministry of Finance has now exempted customs and central excise duties on inputs utilised for the purpose of manufacture of ships vide general exemption notifications with effect from November 24, 2015, it said.

"The exemption will go a long way in creating a proactive environment for the growth of this strategic industry, which will not only generate considerable employment but also play a significant role in fostering economic growth and EXIM trade in the country," the statement said.

Ease of doing business: Govt wants to cut time for registering company to 1-2 days

12 December 2015 Agency: PTI

During the past one year, Corporate Affairs Ministry has taken a number of steps, and is further streamlining processes and regulatory framework, to reduce the overall time taken for incorporating a company as a part of 'ease of doing business' effort, Finance Ministry has said.

The Government of India proposes to bring down the average number of days required for incorporating a company to one to two days, a move aimed at further improving 'ease of doing business' in the country.

During the past one year, Corporate Affairs Ministry has taken a number of steps, and is further streamlining processes and regulatory framework, to reduce the overall time taken for incorporating a company as a part of 'ease of doing business' effort, Finance Ministry said in a statement.

As a result of the many steps, the average number of days taken for incorporation of a company has come down significantly from 9.57 days in December, 2014 to 4.51 days in November, 2015.

"It (Ministry of Corporate Affairs) is targeting that the average number of days would be further reduced to one to two days for approval in normal cases," the statement said.

Giving details of the step, it said the introduction of an Integrated Incorporation Form INC29 and tighter monitoring of Registrar of Companies' (ROCs') performance has resulted in faster approvals and lesser number of clarifications being asked from the stakeholders.

The Corporate Affairs Ministry will soon introduce a new version of Form INC29, incorporating suggestions received from the stakeholders, allowing up to five directors to be appointed and greater flexibility in proposing a name for a company, it said.

"This will allow an even more wider use of this integrated Form, which is already gaining popularity," the statement added.

Further, the rules with regard to reserving and approving of names for companies are also being simplified, and a centralised new process will be introduced soon for strictly time bound approval of names for companies.

FDI up 24% at $60.69 billion under PM Modi government, says Nirmala Sitharaman

9 December 2015 | Agency: PTI

Foreign direct investment (FDI) in the country has increased by 24% to $60.69 billion under the present government, Parliament was informed on Wednesday.

The country had attracted $48.9 billion FDI during February 2013 to May 2014, Commerce and Industry Minister Nirmala Sitharaman said in a written reply to the Rajya Sabha.

"Yes sir. FDI in the country has increased since the inception of the present government," she said.

Sectors that have attracted healthy foreign investment during the period, June 2014 to September 2015 include computer software and hardware, trading, services, automobile and telecommunications.Foreign investment is crucial for India, which needs about $1 trillion by March 2017 to overhaul infrastructure such as ports, airports and highways and boost growth.

FDI in insurance sector jumps 152% to $341.43 million in March-September

2 December 2015 | Agency: PTI

Foreign direct investment in the insurance sector more than doubled to $341.43 million during March-September this year, Parliament was informed on Wednesday.

During March-September 2014, the sector had received FDI worth $135.30 million, Commerce and Industry Minister Nirmala Sitharaman said in a written reply to the Rajya Sabha.

She also said that FDI in Railway infrastructure was opened in August 2014 and "data on FDI inflows on this sector is not separately maintained".

She said FDI directly supplements the domestic capital and brings technology and skill in the sectors of direct entry.

"It has indirect multiplier effects on other related sectors also thereby stimulating economic growth leading to increased production, exports and employment generation," she said.

Replying to a separate question, the minister said foreign investments made by NRIs which also includes investments by Persons of Indian Origin and Overseas Citizens of India during July 2014 and June 2015 increased to Rs 796 crore as against Rs 732 crore in the same period last year.

FDI in services rises 20% to $1.46 bn in first half of FY16

Press Trust of India | New Delhi December 13, 2015

With the government taking steps to improve ease of doing business and attract investments, FDI inflows into the services sector grew by about 20% to $1.46 billion (Rs 9,404 crore) in the first six months of the current fiscal.

The services sector, which includes banking, insurance, outsourcing, R&D, courier and technology testing, had received foreign direct investment (FDI) worth $1.22 billion (Rs 7,366 crore) in the same period last fiscal, according to the Department of Industrial Policy and Promotion (DIPP) data.

According to experts, measures announced by the government are helping these sectors attract more investments.

"The latest reforms in areas like banking and insurance have resulted in the higher FDI inflows," said Krishan Malhotra, head of tax and an expert on FDI with corporate law firm Shardul Amarchand and Mangaldas.

Earlier this year, the government hiked the FDI cap in insurance sector to 49%.

In banking sector also, the government has eased the norms and permitted portfolio investors to buy up to 74% stake in local private banks with full fungibility.

Other sectors which have attracted healthy foreign inflows during the first half of this fiscal include computer software and hardware ($3.05 billion), trading ($2.3 billion) and automobile ($1.46 billion). Strong inflows in these sectors propelled the overall FDI into the country by 13% to $16.63 billion during April-September 2015.

The government has announced a series of steps like fixing timeliness for approvals to improve the ease of doing business in the country.

The services sector contributes about 60% to India's GDP and receives high foreign inflows.

Foreign investments are considered crucial for India, which needs around $1 trillion in the next five years to overhaul its infrastructure sector such as ports, airports and highways, to boost growth. Growth in foreign investments helps improve the country's balance of payments (BoP) situation and strengthens the rupee.

Agriculture sector attracts $ 1,764 million FDI in 2000-15

PTI Dec 1, 2015, 07.06PM IST

NEW DELHI: Foreign direct investment into agriculture services stood at $ 1,763.57 million, or Rs 8,747.4 crore, higher than FDI into sectors such as textiles, mining and electronics during April 2000 to June 2015.
"However, FDI inflow in agriculture services during the above period has been lower compared with computer software and hardware, telecommunications, automobiles etc," Minister of State in Agriculture Mohanbhai Kalyanjibhai Kundaria said in a written reply in Lok Sabha today.

In agriculture machinery, FDI inflows during the same period has been $ 418.65 million.
To attract more foreign funds in the agriculture sector, 100 per cent FDI has been allowed in coffee, rubber, cardamom, palm oil tree and olive oil tree plantations, besides tea plantation in which FDI has already been allowed.

FIPB clears seven FDI proposals worth Rs 5,240 crore

By PTI | 11 Dec, 2015, 10.12PM IST

NEW DELHI: FIPB has approved seven Foreign Direct Investment (FDI) proposals worth Rs 5,240 crore including that of India Advantage S4 I, L&T Finance Holdings and Strugence Debt Fund.
"Based on the recommendations of Foreign Investment Promotion Board (FIPB)...the Government has approved seven proposals of FDI amounting to Rs 5,240.35 crore", a Finance Ministry statement said today.
The clearances, it said, were given based on recommendations of FIPB meeting held on November 9, 2015.
FDI approval to India Advantage Fund S4 I, an alternate investment fund, will bring in Rs 2,950 crore of foreign capital.
Paragon Partners Growth Fund will bring in foreign money to the tune of Rs 985 crore; L&T Finance Holdings Rs 707 crore; and Extramarks Education India Rs 403.15 crore. Strugence Debt Fund will fetch foreign capital worth Rs 99 crore; Agio Image Limited Rs 75 crore; and Menterra Venture Advisors Private Limited Rs 21.2 crore.

BANKING/FINANCE

RBI introduces cross-currency options in exchanges

Business Standard: December 11, 2015

Mumbai: The Reserve Bank of India (RBI) on Thursday introduced cross-currency pairs in the exchange-traded currency derivatives market in order to facilitate efficient hedging.
The cross currency pairs introduced were Euro-US dollar, Pound Sterling-dollar and dollar-Japanese yen. So far, only pairs with the Indian rupee being on one leg were allowed and hence any participant hedging their exposure had to do so through two transactions. For example, a Japanese investor wanting to hedge in dollars had to enter into yen-rupee and rupee-dollar options to ultimately arrive at the yen-dollar option. With the introduction of the dollar-yen pairs, the market becomes more efficient.
The decision to allow cross-currency pairs was first announced on the fourth bi-monthly monetary policy review on September 29. To take positions in such cross-currency pairs, a participant doesn't need to have any underlying exposure.
RBI on Wednesday said it would intervene in the exchange-traded market, if required, in addition to its regular intervention in the spot market.

India's Forex reserves climb $483.2 mn

Source: IRIS | 12 Dec, 2015, 02.06PM

Foreign exchange reserves increased $483.2 million to $352.10 billion on December 4, 2015 over the previous week. In the rupee terms, Forex reserves climbed Rs 88.6 billion over the week to Rs 23,415.5 billion on December 4, 2015.
Foreign currency assets moved up $1.58 billion over the week to $329.25 billion. The value of country's gold reserve declined $1.15 billion over the week to $17.54 billion.
Meanwhile, amount under special drawing rights (SDRs) was $4.01 billion, up $38.1 million over the week. The reserve position in the IMF stood at $1.30 billion, up $12.30 million over the week.
On year-on-year basis, the country's Forex reserves increased $37.44 billion to the current level. In the rupee term, Forex reserves increased Rs 3,931.50 billion over the year.

MARKETS

BSE in pact for India's first bullion exchange

Business Standard: December 14, 2015

Mumbai: India Bullion and Jewellers Association (Ibja) has signed an agreement with the BSE for setting up a bullion exchange, the first of its kind in India.

A Special Purpose Vehicle is to be formed, wherein Ibja and its constituents will hold 70 per cent and BSE the rest. Both entities have approached the Union ministry of finance for approval. "We are hopeful (of getting this) very soon," said Mohit Kamboj, president of Ibja. The idea of setting up a spot bullion exchange was floated last month by Union economic affairs secretary Shaktikanta Das.

BSE will provide the trading technology, platform and technical knowhow. Ibja is to bring in the infrastructure, trading expertise and other necessary funds. The proposed exchange is expected to see trading from the April quarter of 2016.

The exchange will primarily trade in gold. Once this stabilises, trading in silver will be launched. It would primarily offer three settlements a day for both buyers and sellers. "It will work like a retail shop. You can buy gold of even small denominations on a real-time delivery basis. Other types of trading will be available for large quantities, for which delivery will be on T+1 and T+2 bases," said Ketan Shroff, Director, Ibja.

The exchange plans to encourage banks to start delivering gold in large volumes, to enable jewellers to buy on this platform. Ibja says it would later encourage banks to become equity partners in the exchange. It proposes to appoint third parties as custodians of the bullion for delivery on the exchange.

Kamboj stated that if all trades — of bankers, bullion merchants and jewellers -- for buying and selling of bullion are routed through this platform, complete transparency can be had by the government in this trade. The exchange can generate a data base for the government which would be very helpful to detect bogus and malefic transactions.

India imports about 1,000 tonnes of gold a year, equivalent to Rs 250,000 crore. However, most transactions for utilisation and consumption of the imported gold are not officially recorded. This would be the first spot exchange platform wherein all banks, bullion merchants, jewellers, exporters, refiners, wholesalers, retailers, nominated agencies, gold mutual funds and so on can transact, apart from end-consumers. It would also mean the entire mechanism of doing business in the segment would shift to the digital arena.

BUSINESS

U.S.-based eClinicalWorks to invest $30 million in India

PTI

U.S.-based healthcare IT firm eClinicalWorks will invest $30 million as part of its expansion plans for the digital healthcare market in India.

The investment will focus on developing cloud-based technology infrastructure here, the company said in a statement on Thursday.

'Digital India' drive

These efforts coincide with the Centre's ambitious 'Digital India' drive aimed at attracting global firms to invest on manufacturing in the country, it said. eClinicalWorks has said tele health capabilities allow patients to access their doctors via mobile phones and enable them to immediately address medical concerns, regardless of location. It helps in providing medical expertise in rural areas where facilities are not available easily.

The company further said this investment would help in building a cloud-based technology infrastructure to deliver digital healthcare in the country. "As we look to expand, India offers appealing opportunities that are in line with our vision. We look forward to our continued work in this country, laying a technology foundation for healthcare organizations, offering their patients optimal care," eClinicalWorks CEO and co-founder Girish Navani said. Operating since 1998, eClinicalWorks has established cloud-based healthcare platform in the U.S., delivering healthcare information and technology solutions in the form of electronic patient medical records, population, health and patient engagement tools for doctors, it said.

4,300 team members globally

eClinicalWorks has more than 4,300 team members worldwide, with Indian presence at Ahmedabad, Mumbai and Bengaluru.

DHL to invest $16.3 million and introduce drones in India

By PTI | 9 Dec, 2015, 05.42PM IST

SINGAPORE: Global logistics provider DHL is planning to invest about $16.3 million in all its business segments in India and introduce new technologies, including drones, for deliveries and managing logistics, a senior company executive said today.

"We are investing in all divisions in India," said Matthias Heutger, senior vice president for strategy marketing and development.

Speaking at the launch of DHL Asia Pacific Innovation Centre here, he said the group will be introducing new technologies including drones for deliveries and managing logistics in the Indian market in the future.

"The use of drones in the delivering and managing logistics is becoming increasingly important globally, especially in the remote and disaster hit areas," he told PTI.

DHL has already invested Euro 100 million ($109 million) for transportation, warehousing, information technology network and manpower training over the last three years.

It also plans to include a new Free Trade Warehousing Zone (FTWZ) in North India next year and participate in the rail-based transportation.

DHL is expected to invest between Euro 5 million (USD 5.4 million) and Euro 15 million (USD 16.3 million) in the zone, which will be its third in India. As part of the elaborate investment plan, state-of-the-art warehouses will be set up near high demand growth regions such as Navi Mumbai, Ahmedabad, Calcutta, Ambala and Kochi. A new airport is expected to come in Mumbai.

Long haul trucks are being used on the North-South Indian corridor for speedy delivery on long routes. Owing to such expansion, the company's growth in India has outpaced the overall sectoral growth in the country, the company said.

The Indian logistics industry is annually growing at 10-11 per cent while DHL is growing its supply chain business between 25-30 per cent, it said.

"With our emerging markets expected to generate 30 per cent of DHL global revenue by 2020, our sustained industry leadership demands that we successfully differentiate our services in these markets through well-calculated forays into new technologies, processes and products," said Bill Meahl, Chief Commercial Officers.

The launch of the centre in Singapore is a natural step to maintain our lead as a frontrunner in innovation, following the success of our first centre in Germany, he said.

The centre will drive DHL's "trend research" initiative focusing on emerging trends in Asian logistics and economic activity, he added.

India to open up Ahmedabad, Jaipur airports for Singapore's Changi

PTI

Singapore's Changi Airport Group will soon start managing Ahmedabad and Jaipur airports, opening up airport management operations for a foreign player for the first time in the country.

The group will be managing the terminal operations and parking at the two airports.

Airports Authority of India (AAI) Chairman R.K. Srivastava said the modalities with regard to Changi taking over the operation of Ahmedabad and Jaipur airports are being worked out.

According to Mr. Srivastava, there would be no concessional agreement in place for the proposed partnership with Changi.

AAI, which currently manages the two airports, is also awaiting from the government the official agreement for the proposed partnership.

During his visit to Singapore last month, Prime Minister Narendra Modi had said the government was exploring the possibility of a collaboration with Changi airport to operate two facilities in India. He, however, did not name the airports.

Changi would be paid a fee for the management of airports but AAI would not be setting up any special purpose vehicle in this regard as no revenue sharing has been contemplated.

A team from Changi Airport is expected to visit India and hold discussions with AAI officials by end of this month, sources said.

In 2014-15, Ahmedabad airport handled 5.05 million passengers, including 1.22 million international travellers.

During the corresponding period, Jaipur airport handled 2.20 million passengers, of them 0.33 million overseas people.

By 2023-24, the volume of passengers at Ahmedabad is expected to go up to 6.77 million, and Jaipur 3.75 million.

Canadian auto components maker Magna opens two factories in Sanand

Livemint: December 10, 2015

Sanand, Gujarat: Canada's Magna International Inc. on Wednesday said it has started production at two facilities in Gujarat's Sanand, which will supply auto parts to Ford Motor Co. in India. The facilities are located in a suppliers' park next to Ford's assembly plant in Gujarat's Sanand.

Jim Tobin, chief marketing officer and president of Magna Asia said it was a multi-million dollar project with scope for expansion, without specifying the investment in the two units.

The company currently has 285 manufacturing locations globally, of which 11 are in India. "About 116 plants across the globe supply to Ford. We are looking at the next phase of growth to come from India," Tobin said.

Magna is a global strategic components supplier of Ford. The US-headquartered automaker earlier this year started production from its factory in Sanand, which it has built for an estimated investment of $1 billion.

Tobin said the Indian automobile market is estimated to grow from 4 million units currently to about 12 million units by 2030.

At one of the new Sanand facilities, Magna assembles and provides just-in-time deliveries of complete seat systems for Ford. The 215,000-sq. ft plant is expected to employ approximately 200 people at full production, building approximately 240,000 complete seat systems per year.

Both units will together employ around 600 people. As for the seating systems plant, it will have an initial capacity to make car seats for 240,000 cars per year that can be expanded to 500,000 car seats per year on a two-shift basis.

At the second facility in Sanand, Magna will build body and chassis systems for Ford.

While the new plants reflect business awards for vehicles that are built from global-platform architectures, they also help position Magna for further growth in India as vehicle production expands.

Sanand, located about 40 km from Ahmedabad, has emerged as a major destination for automakers, after Tata Motors decided to relocate its factory to Sanand in 2008 to build the Nano after facing protests at its original site in Singur, West Bengal.

Companies that have followed Tata Motors' footsteps in the last seven years include Ford India, Maruti Suzuki India Ltd, Honda Motorcycle and Scooter India Pvt. Ltd and Honda Cars India Ltd.

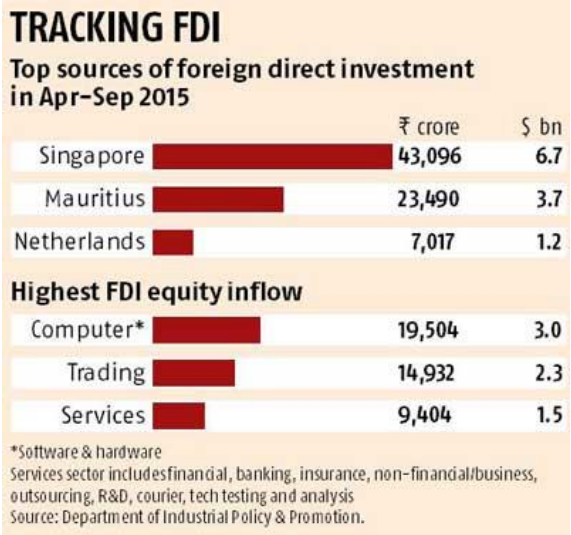
The Sanand-Hansalpur-Vithalapur region, which houses Suzuki's upcoming car plant, is part of a proposed cluster of automobile and textile industries on the ambitious Delhi-Mumbai freight corridor. The region has seen investment proposals of Rs.20,000-25,000 crore in the automobile manufacturing sector.

Singapore pips Mauritius as India's top FDI source.. *Cont from P. 1*

is also more than what it had invested in India for the whole of 2013-14 ($5.98 billion). India had attracted $6.74 billion foreign investment during 2014-15.

Overall, Singapore accounts for 15 per cent of the total FDI India received between April 2000 and September 2015. However, Mauritius makes up 34 per cent of FDI during the same period. Sectors that attracted the highest foreign investment during April-September 2015 include computer software and hardware ($3.05 billion), trading ($2.30 billion), services and automobile ($1.46 billion each) and telecommunications ($659 million).

Foreign investment is crucial for India, which needs about $1 trillion by March 2017 to overhaul infrastructure such as ports, airports and highways, and to boost growth.



FORTHCOMING EVENTS >>>> *INDIA*

I. India Pharma 2016 and India Medical Expo 2016

Date: 7-9 January, 2016

Venue: Bangalore International Exhibition Center , Bangalore, India

Organizer: The Department of Pharmaceuticals, Ministry of Chemicals & Fertilizers, Federation of Indian Chambers of Commerce and Industry (FICCI)

Contact : Kamal Bhardwaj (**kamal.bhardwaj@ficci.com**), **www.indiapharmaexpo.in**

Details: The twin events aim to project India as an attractive investment destination for international pharma and medical devices companies. The expo is expected to witness participation and display by manufacturers of formulation and bulk drugs, pharma machinery, medical electronics and devices.

II. Bio Asia 2016

Date: 8-10 February, 2016

Venue: Hyderabad International Convention Center (HICC), Hyderabad, India

Organizer: The Federation of Asian Biotech Associations [FABA], Government of Telangana and Pharmaceuticals Export Promotion Council (Pharmexcil)

Contact : www.2016.bioasia.in

Details: BioAsia, over the years, has built a formidable reputation with the key stakeholders and is now considered one of the pre-eminent meetings in Asia witnessing participation of about 1700 delegates and 2000 visitors from over 50 Countries every year.

III. Make in India Week

Date: 13-18 February 2016

Venue: Mumbai, India

Contact : www.makeinindia.com/mumbai-week

Details: The Government of India is organizing a landmark event **"Make in India Week"** It would showcase the people, policies and partnerships that are driving India's new manufacturing revolution. The event is slated to offer unprecedented access, insights and opportunities to connect and collaborate with India and global Industry leaders/ visionaries, academicians, central and state administrations. **"Make in India Week"** would have spotlights on the following:

- **Make in India Center** would be the platform for exhibiting innovative products and manufacturing processes developed in India.
- **Asia Business Forum** would comprise of a series of seminars, CXO meets, roundtables and networking events on economic challenges, investment opportunities, design and innovation.
- **Hackathon** would be a 24 hour marathon event where coders, engineers and designers collaborate intensively for 24 hours to come up with ideas to solve urban design problems.

Notifications

Securities and Exchange Board of India

Introduction of system-driven disclosures in Securities Market

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1448970446882.pdf

Schemes of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1449125028827.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

Guidelines on trading of Currency Futures and Exchange Traded Currency Options in Recognized Stock Exchanges – Introduction of Cross-Currency Futures and Exchange Traded Option Contracts

https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10172&Mode=0

Foreign Exchange Management (Manner of Receipt and Payment) (Amendment) Regulations, 2015

https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10173&Mode=0

Foreign Exchange Management (Borrowing or Lending in Foreign Exchange) (Amendment) Regulations, 2015

https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10157&Mode=0

Investment by Foreign Portfolio Investors (FPI) in Corporate Bonds

https://rbi.org.in/Scripts/NotificationUser.aspx?Id=10147&Mode=0

Ministry of Finance

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

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

ISRO to launch six Singaporean satellites on December 16

IANS | Dec 10, 2015

India will be launching six Singaporean satellites weighing a total of around 625 kg on December 16 evening through its Polar Satellite Launch Vehicle (PSLV) rocket, a senior official said.

"It is a commercial launch. The rocket is expected to blast off from the Sriharikota rocket port at 6 pm on December 16. The Indian rocket will be carrying six satellites all from Singapore," a senior official of Indian Space Research Organisation (ISRO), preferring anonymity, told IANS on Thursday.

According to him, the major luggage for the PSLV rocket will be the earth observation satellite called TeLEOS, weighing around 400 kg.

ISRO will be flying the 'core alone' variant of the PSLV rocket. The rocket will not have the strap on boosters, its standard feature.

The December 16 mission will be the last rocket launch mission for ISRO in 2015.

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***

III. Foreign Portfolio Investment

Q. Is Indian Investee Company eligible to raise the aggregate cap of 10% for Portfolio Investments by SEBI registered NRI/PIO?

Ans. This limit for investment by NRI/PIO under Portfolio investment scheme can be increased by the Indian company from 10 per cent to 24 per cent by passing a General Body resolution. Indian company raising the aggregate NRI investment limit of 10 per cent to 24 per cent, should necessarily intimate the same immediately to Reserve Bank of India, Foreign Exchange Department, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai 400001. The intimation should necessarily be accompanied by (a) a resolution passed by Board of Directors of the Company enhancing the FII aggregate cap, (b) A special Resolution to the effect passed by the shareholders of the Company (c) a certificate from the Company Secretary stating that all the relevant provisions of the extant Foreign Exchange Management Act, 1999 regulations and the Foreign Direct Policy, as amended from time to time, have been complied with, (d) a certificate from the Company Secretary stating that all the resident shareholders of the investee company are 'owned and controlled' by residents.

To avoid inconvenience to the company such intimation should be well in advance else RBI shall caution list the company on FII investment in the company reaching 8% of paid up capital or paid up capital of each series of convertible debentures issued by the company.

Source: RBI

For Feedback & Comments, please contact:
Mr. Pradyumn Tripathi, First Secretary (Commerce),
High Commission of India,
31 Grange Road, Singapore- 239702.
Email : ma@hcisingapore.org ; com.singapore@mea.gov.in ; hcoffice@hcisingapore.org
URL : www.hcisingapore.gov.in