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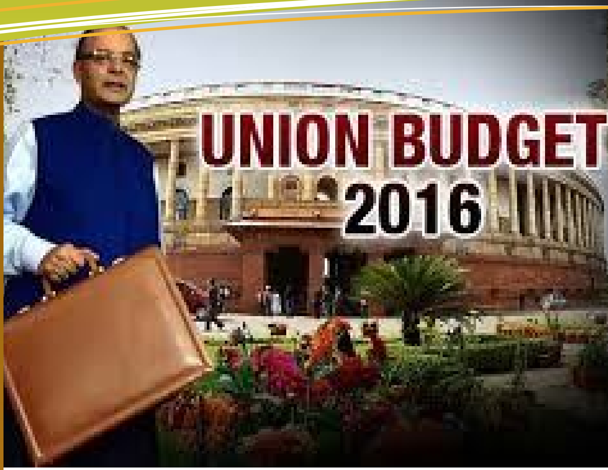
India Focus



this issue

BILATERAL

Interactive Session with Singapore's Minister of National Development

CII-IBF, Singapore had organized an exclusive Interactive Session with Mr Lawrence Wong, Minister of National Development on 16th February 2016 in Singapore. High Commissioner of India and CII-IBF Patron, Mrs Vijay Thakur Singh addressed both IBF members separately and also spoke during the Interactive session. The Minister who is part of the high level committee on future economy of Singapore briefed members on challenges faced by Singapore due to the slowdown in China and issues in EU and outlined the plan of Singapore to prepare for a low labor intensive and high productivity industrial regime with focus on innovation. He also spoke about key areas like Urban Logistics, infrastructure, construction, Singapore's evolving Car Lite model (encouraging public transport by higher taxes and road pricing), skills development, company internships

...Cont on P. 17

TOP NEWS

Key Features of Budget 2016-2017

INTRODUCTION

- Growth of Economy accelerated to 7.6% in 2015-16.
- India hailed as a 'bright spot' amidst a slowing global economy by IMF.
- Robust growth achieved despite very unfavourable global conditions and two consecutive years shortfall in monsoon by 13%
- Foreign exchange reserves touched highest ever level of about 350 billion US dollars.
- Despite increased devolution to States by 55% as a result of the 14th Finance Commission award, plan expenditure increased at RE stage in 2015-16–in contrast to earlier years.

GOVERNANCE AND EASE OF DOING BUSINESS

- A Task Force has been constituted for rationalisation of human resources in various Ministries.
- Comprehensive review and rationalisation of Autonomous Bodies.
- Bill for Targeted Delivery of Financial and Other Subsidies, Benefits andServices by using theAadharframework to be introduced.
- Introduce DBT on pilot basis for fertilizer.
- Automation facilities will be provided in 3 lakh fair price shops by March 2017.
- Amendments in Companies Act to improve enabling environment for start-ups.
- Price Stabilisation Fund with a corpus of `900 crore to help maintain stable prices of Pulses.
- "Ek Bharat Shreshtha Bharat" programme will be launched to link States and Districts in an annual programme that connects people through exchanges in areas of language, trade, culture, travel and
tourism

MAKE IN INDIA

- Changes in customs and excise duty rates on certain inputs to reduce costs and improve competitiveness of domestic industry in sectors like Information technology hardware, capital goods, defence production, textiles, mineral fuels & mineral oils, chemicals & petro chemicals, paper, paperboard & newsprint, Maintenance repair and overhauling [MRO] of aircrafts and ship repair.

SIMPLIFICATION AND RATIONALIZATION OF TAXES

- 13 cesses, levied by various Ministries in which revenue collection is less than`50 crore in a year to be abolished.
- For non-residents providing alternative documents to PAN card, higher TDS not to apply.
- Revision of return extended to Central Excise assesses.
- Additional options to banking companies and financial institutions, including NBFCs, for reversal of input tax credits with respect to non-taxable services.
- Customs Act to provide for deferred payment of customs duties for 15 importers and exporters with proven track record.
- Customs Single Window Project to be implemented at major ports and airports starting from beginning of next financial year.
- Increase in free baggage allowance for international passengers. Filing of baggage only for those carrying dutiable goods

ROADMAP & PRIORITIES

- 'TransformIndia' to have a significant impact on economy and lives of people.
- Government to focus on–
  - ·ensuring macro-economic stability and prudent fiscal management.
  - ·boosting on domestic demand
  - ·continuing with the pace of economic reforms and policy initiatives to change the lives of our people for the better.
- Focus on enhancing expenditure in priority areas of-farm and rural sector, social sector, infrastructure sector employment generation and recapitalisation of the banks.
- Focus on Vulnerable sections through:
  - ·Pradhan Mantri Fasal Bima Yojana
  - ·New health insurance scheme to protect against hospitalization expenditure
  - ·facility of cooking gas connection for BPL families
- Continue with the ongoing reform programme and ensure passage of the Goods and Service Tax bill and Insolvency and Bankruptcy law
- Undertake important reforms by:
  - ·giving a statutory backing to AADHAR platform to ensure benefits reach the deserving.
  - ·freeing the transport sector from constraints and restrictions
  - ·incentivising gas discovery and exploration by providing calibrated marketing freedom
  - ·enactment of a comprehensive law to deal with resolution of financial firms
  - ·provide legal framework for dispute resolution and re-negotiations in PPP projects and public utility contracts
  - ·undertake important banking sector reforms and public listing of general insurance companies undertake significant changes in FDI policy.

(Source: http://pib.nic.in/eventsite/budget2016/pdf/keyfeath.pdf)

ECONOMY

Economic Survey highlights: GDP growth for 2016 seen at 7- 7.75%

HT Correspondent, Hindustan Times, New Delhi

Union finance minister Arun Jaitley tabled the Economic Survey for 2015-16 in the Parliament . India will grow by between 7% and 7.75% in the fiscal year starting on April 1, according to the Economic Survey tabled in Parliament on Friday. The survey also said fiscal deficit of 3.9% for 2015-16 seems achievable.

Highlights of the report:

#Increase in wages recommended by the 7th Pay Commission not likely to destabilise prices, will have little impact on inflation

#Foreign exchange reserves have risen to US $ 349.6 (Jan-2016)

#Upcoming budget and economic policy will have to contend with an unusually challenging and weak external environment

#India's long run potential GDP Growth is substantial, about 8 % to 10 %

#Govt will meet its fiscal deficit target of 3.9 % of GDP

For 2015-16, CPI inflation seen at 4.9%; WPI inflation at 2.8%

Tax revenue expected to be higher than budgeted levels in FY15/16.

Low inflation has taken hold, confidence in price stability has improved.

2016/17 expected to be challenging from fiscal point of view.

Inflation rates has been falling & the Survey states that confidence in price stability has improved.

Recognition, Recapitalization, Resolution, & Reform needed to resolve Twin Balance Sheet challenge of PSBs & corporate firms.

Current Account Deficit has declined and foreign exchange reserves have risen to US$ 351.5 billion in early Feb, 2016.

Jaitley faces a tough choice on whether to raise fiscal deficit targets to pay for ambitious investments and big public sector pay hikes in his third budget. Although Asia's third-largest economy has overtaken China's as the world's fastest growing, weak business investment and a growing bad loan problem at state banks will compel Prime Minister Narendra Modi to keep the spending taps open to deliver on his promise of jobs for India's 1.3 billion people.

The survey, a flagship annual document of the ministry of finance, reviews the developments in the economy over the previous 12 months, which summarises the performance on major development programmes, and highlights the policy initiatives of the government and the prospects of the economy in the short to medium term.

The Economic Survey is the finance ministry's view on the annual economic development of the country that gives a broad idea on the macroeconomic data, which will impact the budget decisions.

Cabinet approves Trade Facilitation Agreement (TFA)

Press Information Bureau: February 18, 2016

New Delhi: The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has approved the Proposal for Notification of Commitments under the Trade Facilitation Agreement (TFA) of World Trade Organization (WTO), ratification and acceptance of the Instrument of Acceptance of Protocol of TFA to the WTO Secretariat and constitution of the National Committee on Trade Facilitation (NCTF).

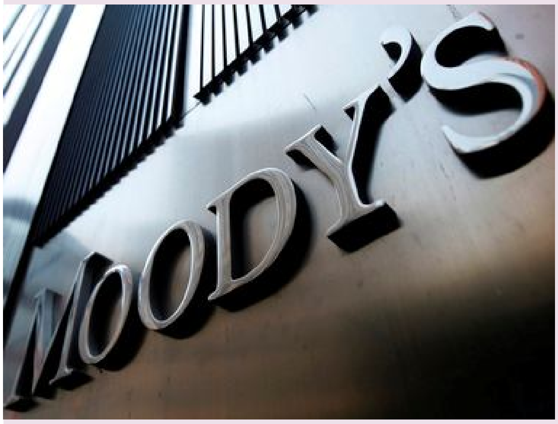
The Trade Facilitation Agreement contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. These objectives are in consonance with India's "Ease of Doing Business" initiative.

The Trade Facilitation Agreement shall enter into force for the notified members upon acceptance by two-third WTO Members.

To facilitate both domestic coordination and implementation of the provisions of the Agreement, a National Committee on Trade Facilitation would be set up under the Joint Chair of Secretary, Department of Revenue and Secretary, Department of Commerce.

Moody's says India to be less impacted by external headwinds, pegs 2016 GDP growth at 7.5%

Reuters,Feb 18, 2016 13:07 IST



Indian economy will grow at 7.5 percent in 2016 and 2017 as it is relatively less exposed to external headwinds, like China slowdown, and will benefit from lower commodity prices, Moody's Investors Service said.

The firm, however, warned the generally robust economic environment is constrained by "banks' balance sheet repair and elevated corporate debt and corporate pricing power being limited by the impact on food price inflation and households budgets of two consecutive droughts."

In its report, 'Global Macro Outlook 2016-17 - Global growth faces rising risks at time of policy constraint', Moody's said growth will fail to pick up steam over the next two years as the slowdown in China, lower commodity prices and tighter financing in some countries weigh on the economy.

"Together with Turkey and China among the G20 emerging markets, India benefits from lower commodity prices: in 2014, net commodity imports amounted to 5.9 percent of India's GDP, compared with net exports worth 1.3 percent, 3.3 percent and 4.3 percent for South Africa, Brazil and Indonesia respectively," it said.

Amid low growth in global trade in goods, India's large services export sector (IT services account for around 18 percent of total exports) provides another source of resilience. "Moreover, India is relatively less exposed to external factors, including China slowdown and global capital flows. Instead, the economic outlook will be primarily determined by domestic factors," it said.

Moody's forecast "stable GDP growth at around 7.5 percent in 2016 and 2017."

The growth rate gap with other G20 emerging markets will be unusually large. "In the five years to the end of the decade, we expect GDP per capita (at market exchange rates) to increase by 34 per cent in real terms in India, compared with only 3.6 per cent in the G20 emerging markets excluding China and India," the report said.

Moody's said India's economy is powered by sustained growth in consumer spending, fostered by moderate inflation and still favourable demographics, and strengthening investment, in particular foreign direct FDI.

The recent measures that now allow 100 per cent foreign ownership in a number of sectors will foster further increases in FDI, it said.

"The 23.55 percent increase in public sector salaries proposed by the 7th Pay Commission is worth 0.7 per cent of GDP. It is not yet known how this proposal will be implemented but higher public sector wages will most likely contribute to strong consumption growth.

"The pay increase will also probably raise inflationary pressures. However, we assume the government will cut spending in other parts of the budget to maintain the deficit broadly in line with the 3.5 per cent of GDP objective, thereby mitigating some of the inflationary effects," it said.

Moody's said headline inflation in India will depend on the weather during the planting season, determining food prices. Overall, without particularly unfavourable weather conditions, we estimate that inflation will rise from last year's levels (4.9 percent on average) but will fall back to the central bank's target of 5 percent by early 2017. Another year of moderate inflation would help anchor inflation expectations and foster both consumer spending and investment.

Govt. unveils National Capital Goods policy during the 'Make in India Week'

The Hindu

This is for the first time that a national policy has been framed for the sector.

The government on Monday unveiled a National Capital Goods Policy to give an impetus to the capital goods sector and a leg up to the Make in India initiative. This is for the first time that a national policy has been framed for the sector.

Anant Geete, Minister, Heavy Industry & Public Enterprise, while unveiling the Policy on the occasion of the Make in India Week held in Mumbai said the policy would drive growth for Capital Goods sector, and a part of Government's commitment to help realise this vision of turning India into a world class hub for Capital Goods.

The policy envisages increasing exports from the current 27 per cent to 40 per cent of production while increasing share of domestic production in India's demand from 60 per cent to 80 per cent, thus making India a net exporter of capital goods.

The policy also aims to facilitate improvement in technology depth across sub-sectors, increase skill availability, ensure mandatory standards and promote growth and capacity building of MSMEs.

Speaking at a seminar on Capital Goods sector organized by the Confederation of Indian Industry (CII) in partnership with Department of Industrial Policy and Promotion (DIPP) and the Government of Maharashtra, Mr Geete said, "The aim is to create game changing strategies for the capital goods sector."

Some of the key issues addressed include availability of finance, raw material, innovation and technology, productivity, quality and environment friendly manufacturing practices, promoting exports and creating domestic demand.

The key policy recommendations include strengthening the existing scheme of the DHI (Department of Heavy Industry) on enhancement of competitiveness of Capital Goods sector by increasing budgetary allocation and increasing its scope to further boost global competitiveness in various sub sectors of Capital Goods, enhancing the export of Indian made capital goods through a 'Heavy Industry Export & Market Development Assistance Scheme (HIEMDA)'.

It has also made provision for launching a Technology Development Fund, upgrading existing and setting up new testing & certification facility, making standards mandatory in order to reduce sub-standard machine imports and at the same time providing opportunity to local manufacturing units by utilising their installed capacity and launching scheme of skill development for Capital Goods sector.

Mr. Geete said that the clear objective of the Policy is to increase production of capital goods from Rs. 230,000 crore in 2014-15 to Rs. 750,000 crore in 2025 and raising direct and indirect employment from the current 8.4 million to 30 million.

Sumit Mazumder, President, CII said that the Government has taken 'unprecedented and innovative' steps with multi-dimensional endeavour to boost manufacturing, such as targeting skill development, FDI, R&D and most significantly ease of doing business.

Make in India push: Invest $2 billion, get residency permits and special rates for utilities

ET Bureau | Feb 24, 2016, 06.44 AM IST

NEW DELHI: If a foreign company invests $2 billion, it will get residency permits allowing long stay in India for its key executives as well as cheap rates for utilities and a special package on upscale housing. That's the latest policy idea of the Modi government, which is pushing hard to make India a more attractive foreign investment destination.

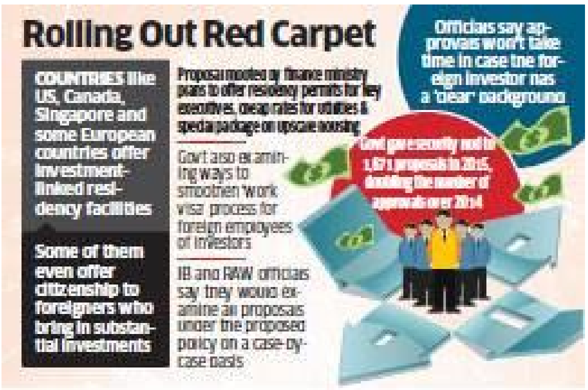
Senior officials, who spoke on the condition they not be identified, told ET the proposal could be formally unveiled after the Budget session of Parliament gets over in mid-March.

A finance ministry proposal, the residency permit policy file is now being reviewed by other ministries. If announced, this will be the first such policy in India, which will join countries such as the US, Canada, Singapore as well some European countries in offering investment-linked residency facilities. Some of these countries even offer citizenship to foreigners who bring in substantial investments.

Officials familiar with the development said besides residency permits, the government is also examining ways to smoothen the 'work visa' process for all foreign employees of investors.

There has been feedback that foreign employees of global investors need a hassle-free work visa process. The residency permit proposal is linked to efforts to push Modi's 'Make in India' plan.

One of the main inputs for this policy will come from security agencies, officials said.



But intelligence officials also said that case-by-case approvals won't take time in case the foreign investor has a 'clear' background — no past questions on security or existing litigation with the government.

The Modi government has been making several efforts to ease security clearances for foreign investors. It cleared as many as 1,671 proposals in 2015, double the number of approvals granted in 2014. Of the 1,671 proposals cleared, 85 were projects run by foreign entities. The biggest foreign beneficiaries were the US (18), Hong Kong (11), France (9), China (8) and Germany (6). According to government officials, investment proposals from 26 nations were given faster security clearances.

Special Purpose Vehicles formed for implementation of Smart City Plans ; MP, Rajasthan take lead

Press Information Bureau: February 22, 2016

New Delhi: Madhya Pradesh and Rajasthan have taken the lead in setting up Special Purpose Vehicles (SPV) for the implementation of Smart City Plans of the cities who have won in the first round of competition for selection of cities. Ministry of Urban Development has been informed that SPVs have been set up for Jabalpur, Indore and Bhopal in Madhya Pradesh and Jaipur and Udaipur in Rajasthan. These cities have been among the first batch of 20 winners of Smart City Challenge Competition announced on January 29,2016.

Ministry has also been informed that SPVs for the remaining 15 cities will be formed in the next two weeks. Ministry of Urban Development will release Rs.200 cr for each of the 20 selected cities only after SPVs are set up.

SPVs to be registered under the Companies Act,2013 will have 50:50 equity by the states and respective urban local bodies. Private equity is also allowed but the management control will rest with the Governments only.

SPVs are required to be set up under Smart City Mission Guidelines to ensure timely and efficient execution of plans with operational freedom. They approve, sanction and execute the projects besides mobilizing resources from various sources.

Madhya Pradesh has set up a 12 member SPV for each of the three cities. Respective District Collector will be the Chairman of the Board and respective Municipal Commissioner as Executive Director. Other members include representatives of central and state governments, nominee of the Mayor, 2 Independent Directors, representatives of DISCOMs, Public Health Engineering Department etc.

Rajasthan has set up a 11 Member SPV for Jaipur and a 13 Member body for Udaipur. Principle Secretary (Local Self Government) is the Chairman in both the cases. Mayor will be the Vice-Chairman and Municipal Commissioner will the Chief Executive Officer till a regular CEO is appointed. Representatives of central and state governments, 2 Independent Directors will also be on the Board.

Meanwhile, Ministry of Urban Development is organizing a day long workshop on Monday i.e February 22, 2016 where in 23 cities participating in the ‘Fast Track Competition’ will interact with first batch of 20 smart city winners for ‘peer learning’ about making winning proposals. One top ranked city from each of the 23 States and UTs that could not win in the first round are participating in this accelerated round of competition, under which these 23 cities have to submit revised proposals to the Ministry of Urban Development by April 15 this year.

These 23 cities will be advised on how to bridge the identified gaps in their Smart City Plans earlier submitted and evaluated in the first round of competition. Areas required to be improved include-financing plans, convergence of different schemes of central and stage governments, smart solutions and frugal solutions, consistency of area development plans etc.

Make in India: We'll create best ecosystem for our young entrepreneurs, says Amitabh Kant

ET Bureau | Feb 16, 2016, 10.08 AM IST

"The key achievement is that it has brought 'ease of doing business', opened the FDI regime a... Read More

*For over a year now **Amitabh Kant**, secretary, Department of Industrial Policy and Promotion, has put his energy behind Prime Minister Narendra Modi's vision of Make in India and is now ready to take the campaign to the next level with a thrust on domestic investment, quality infrastructure and a stronger policy regime. In an interview with **ET** , Kant spells out details of the plan that aims to take Make in India centre-stage. Edited excerpts:*

It's been one-and-a-half years since the Make in India campaign started. What do you think has been its biggest achievement?

The key achievement is that it has brought 'ease of doing business', opened the FDI regime and taken manufacturing centre-stage. We have improved our position in ease of doing business by 12 ranks, competitive spirit has been unleashed among states by the ranking process and India, from being one of the most closed economies, is now one of the most open economies of the world. Our FDI is up by 48% as compared to a global decline of 16%. When Make in India was launched, the manufacturing growth rate was at 1.7%. Today, it is 12.6%. It is a jump of 12 times. We have been ranked No. 1 investment destination by the Financial Times, EY, IMF, Frost and Sullivan, and Foreign Policy magazine. India has also been ranked as the world's No. 1 destination (for investments) by Wharton & BAV Consulting, beating Singapore, Ireland, Indonesia and Vietnam.

There were a number of big-ticket investment announcements under Make in India. Not many have translated on the ground…

In the past one year 50 mobile phone manufacturers have located to India. Besides that, Foxconn to Boeing to Airbus to JCB to Daimler to GE to IEKA to H&M are all here. Several companies such as Hyundai, Volvo, Ford, JCB, Cummins and Maruti Suzuki came looking at the domestic market but are now using India as a major export hub. India is undergoing a structural transformation. We are moving towards an economy based on productivity and efficiency.

In its second year now, how do you see Make in India going to the next level?

Make in India 2.0 will focus on domestic companies with a manufacturing thrust. We will focus on innovation and design to enhance productivity. Productivity improvement must make us cost-competitive in a globalised world. We will also focus on startups and help create the best ecosystem in the world for our young entrepreneurs. Besides, we must look at creating an environment which will help them penetrate into global markets from India.

Will changes to the taxation framework make India competitive for manufacturers?

Both the prime minister and finance minister have gone on record to say that there will be no retro-spective tax. It is a thing of the past. We need consistency, predictability and clarity in our tax poli-cies. The finance ministry is aggressively working towards this. Tax disputes, unlike in the past, have radically fallen. We are sorting out all past disputes. We definitely need to correct our inverted duty structure so that our manufacturers are not put to any disadvantage.

Can the creation of supportive infrastructure and ease of doing business help manufacturing growth?

The key to Make in India success is to put in place quality infrastructure. We must, as a country, think big in terms of size and scale and execute them with speed. Under-capacity and mismanagement in India's power transmission systems has been addressed. To encourage global trade, ports would require higher capacity, quicker turnaround and streamlined processes. Their linkage to inland transportation for seamless movement of goods calls for an upgrade. The dedicated freight corridors need to be completed by early 2018. We need much simpler export procedures. The government is working on all these in an integrated, holistic manner. In the past 68 years, we have created laws, rules, processes that have been detrimental to business and India's growth. We have treated young entrepreneurs as criminals unless they prove otherwise. All this must go. We are, as a team, working to fulfil the PM's vision of making India the easiest and simplest place to do business.

Defence manufacturing is a key component of Make in India, but the progress seems rather slow.

Yes. Defence manufacturing is the key. Plenty has been done. Sixty per cent of defence items have been delicensed. FDI regime has been opened up - you can go up to 49% and in case of modernisation, you can take it to 100%. Not a single licence application is pending. We have cleared 137 defence licences till date. The defence offsets policy has been restructured and far-reaching changes are envisaged in the Defence Procurement Policy. Simultaneously, the railways has seen movement. Some of the biggest contracts for locomotives manufacturing have been awarded to GE & Alstom.

Besides this, you also announced a slew of FDI reforms to prop up the manufacturing sector. What structural reforms can we expect in the coming year?

We have done everything possible in the FDI regime. We now need to facilitate and work closely with international companies so that they do not face any hardships on the ground. Invest India is working very actively. It is now working like a good professional, aggressive investment agency. In terms of structural reforms we need states to bring in factor market reforms — land leasing, land pooling and easier labour laws.

You have mentioned that Make in India's aim is to make India a part of the global supply chain. What are we doing to achieve global standards in manufacturing?

The global manufacturing scenario is evolving fast. Technological advances have led to dramatic increase in industrial productivity. We are in the midst of the fourth wave of technological advancement. We cannot afford to miss it. Big data & analytics, autonomous robots, simulation, system integration, cyber security, cloud, additive manufacturing, augmented reality are changing the manufacturing world. We have an advantage - we are a digital nation. We must adopt Industry 4.0. This will in the long run lead to productivity gains, revenue growth and employment and investment. India must have many layers of manufacturing - from Industry 4.0 to labourintensive manufacturing. Every state must excel based on its core competency. We must have 10 champion states growing at 12% plus.

The private sector is still to begin investing. When do you see the cycle turn?

Who says private sector is not investing? Let me give you specific cases. Bharti, Birlas, Adani, Tatas, Reliance, ITC, Bharat Forge, L&T, Asian Paints, Thermax, Torrent - they are all investing. Why do some of you always have a sense of pessimism? We need optimism and faith in ourselves. We need Indian industry to drive India. Some companies are overstretched. Some banks are facing bad debts. These issues are being looked into. It is a matter of time before they are sorted out. Structural transformations take time. You don't get results immediately. But when results start coming in they are on a sustained basis over a long period.

Companies are still reeling under high debts, with number of stalled projects going up. How crucial is domestic investment and what can the government do to salvage this situation?

Your question is factually incorrect. There has been a sharp decline in the value of projects that are stalled, abandoned or shelved as per CMIE from `4.02 lakh crore in FY15 to Rs 1.95 lakh crore in FY16. This shows investment climate has improved. The total number of investment proposals during the past eight months is higher by 27%. The composite (Nikkei/Markit Services Purchasing Managers' Index) PMI output index climbed to 11 month high of 53.3% in January 2016. The Monster Employment Index for January 2016 is up 52% over January 2015. This indicates the Indian job market has started on a strong note.

Some important policy decisions are still pending due to political reasons, such as the bankruptcy code bill, the GST bill. The land acquisition bill was withdrawn. What will be the impact of these on investments?

India's ambition is to grow at high rates over a long period. This necessitates that good politics and good governance must converge and integrate. There must be national consensus on economic issues. GST is critical and bankruptcy code is necessary. We must have a uniform national market and we must allow quicker, faster exit. States are becoming champions of reforms. They are pushing for land acquisition and labour reforms. They don't want to be held back on infrastructure creation and growth.

Skilled workforce in a country like India with an enormous young working population is still an issue. Will the government intervene? How will Skill India evolve?

I agree. Manufacturing cannot expand without a highly trained and skilled workforce. We have a young population and must reap rich dividend. The new Ministry of Skill Development and the National Skill Development Council have done an enormous amount of work and they have laid down standards and quality and working in partnership with framing providers across sectors. I am personally quite fascinated by the work being done by some private organisation like Wadhwani Operating Foundation. It has launched five high impact initiatives in India with the goal of creating and filling 25 million jobs in five years. Its National Entrepreneurship Network (NEN) has built a strong network with colleges, mentors and faculty that support young entrepreneurs.

India is Asia's bright spot for direct investment: Singapore daily

By PTI | Feb 15, 2016, 10.45 AM IST

SINGAPORE: Corporates here see a bright spot in India with Singapore's direct investments in the country crossing SGD 15.24 billion, despite a generally weak economic outlook for most of Asia, a media report said today.

Investment by firms in India is on the rise, and companies with a presence there say the region's second-largest economy is a challenging market to break into but offers rich rewards.

India's gross domestic product exceeded USD 2 trillion in 2014, according to World Bank data. After taking 60 years to reach the USD 1 trillion mark, the Indian economy added the next trillion in just seven years, the Straits Times reported.

Singapore's direct investments in India have been rising steadily every year, going up from SGD 9.56 billion in 2009 to SGD 15.24 billion in 2013.

Firms in the construction and wholesale and retail trade sectors contributed most to the increase, said national trade promotion agency International Enterprise Singapore.

Manufacturing, financial and insurance services, as well as professional, scientific and technical administrative and support services firms, have also been taking big strides into the Indian market.

Singapore and India have been strengthening their economic links in recent years. Small and medium-sized enterprises (SMEs) with operations in India are optimistic that its economy is on the brink of lift-off, even as Asia remains mired in a slowdown.

Oil and gas equipment supplier Chase Resource Management sees India as a bright spot amid the downbeat oil market.

Its operations have since expanded substantially, and 60 per cent to 70 per cent of the company's business is now generated through India.

"There is still a lot of (oil and gas) work happening on the east coast, and a lot of tenders that we have been bidding for and winning," said director Jayanthi Manian, an Indian origin businesswoman here. "It is not as bad as other markets in Asia," she added.

"India is an interesting market and shaping up well for us. We are open to teaming up with other Singapore companies keen on the infrastructure sector there," said Manian.

However, she noted that Singapore firms tend to hesitate over venturing into India.

"A lot of Singapore companies are scared of moving into India. It is a totally different working culture, and it takes a lot of patience to work there," she said. Vivian Singh, president and chief executive of PC and flash memory manufacturer Strontium Technology, said despite the hurdles, the payoffs can be significant. In the past, it was important to have a warehouse in every state, but e-commerce is growing fast in India and this helps companies like us," said Singh.

India contributes about 30% to 35% of the company's sales which came in at about SGD 350 million last year.

FDI up 40% to $29.44 bn in Apr-Dec FY16

By PTI | Feb 28, 2016, 11.16 AM IST

NEW DELHI: Foreign direct investment (FDI) into the country increased by 40%t to USD 29.44 billion during April-December in the current fiscal.

The foreign investment inflows were at USD 21.04 billion in the same period of previous fiscal.

Among the sectors, computer hardware and software segment attracted the highest FDI of USD 5.30 billion during the period under review, followed by services sector (USD 4.25 billion) and trading business (USD 2.71 billion).

Automobile industry attracted FDI of USD 1.78 billion, while chemicals sector cornered USD 1.19 billion foreign equity investment in April-December 2015, the DIPP data showed.

Also, Singapore toppled Mauritius as the top FDI source for India during the period.

India received USD 10.98 billion overseas inflows from Singapore, followed by Mauritius (USD 6.10 billion), the US (USD 3.51 billion), the Netherlands (USD 2.14 billion), and Japan (USD 1.08 billion).

In the calendar year 2015, FDI in India grew by 37 % to USD 39.32 billion as against USD 28.78 billion in the previous year, according to the data of Department of Industrial Policy and Promotion (DIPP).

The government has taken several steps to promote investments through a liberal FDI policy. The Economic Survey 2015-16 has said that a favourable policy regime and sound business environment have facilitated increase in FDI flows into the country. It has also raised questions over large FDI inflows from smaller countries including Singapore and Mauritius and wanted the government to find out whether the investments are being routed from these countries only to take advantage of tax avoidance agreements (DTAA).

"These inflows need perhaps to be examined more closely to determine whether they constitute actual investment or are diversions from other sources to avail of tax benefits under the Double Tax Avoidance Agreement (DTAA) that these countries have with India," it has said.

FIPB clears 10 FDI proposals worth Rs 607 crore

By PTI | Feb 15, 2016, 09.00 PM IST

Government has approved 10 foreign investment proposals involving an inflow of Rs 607 crore including Rs 400 crore of AlstomBSE 0.27 % Manufacturing India.

Alstom Manufacturing India Ltd had sought an approval to hold equity and arrange finance for its downstream investment company Electric Locomotive Company to be set up in Madhepura (Bihar), the Finance Ministry said in a statement today.

"Based on the recommendations of Foreign Investment Promotion Board in its 231st meeting held on January 22, the government has approved 10 proposals involving FDI of Rs 607 crore, and recommended one proposal for approval of CCEA involving FDI of Rs 5856.51 crore," it said.

ATC Asia Pacific Pte Ltd's proposal seeking nod for acquisition of 51 per cent of the shareholding of Viom Networks would involve inflow of Rs 5,856.51 crore. The proposal of ATC has been referred to Cabinet Committee on Economic Affairs (CCEA) headed by the Prime Minister as per the revised FDI norms. As per the revised guidelines, any proposal involving fund inflow of Rs 5,000 crore requires CCEA approval. Earlier this limit was Rs 3,000 crore.

Besides Alstom Manufacturing, Cipla proposal of Rs 145.22 crore has been approved by the FIPB chaired by Economic Affairs Secretary Shaktikanta Das. Similarly, Emcure Pharmaceuticals Limited proposal of Rs 57.4 crore got FIPB approval. It had sought approval for the issuance of additional ESOPS to four non-resident employees to the extent of 0.28%.Some other proposals Glenmark PharmaceuticalsBSE 0.01 % Limited (Rs 3.34 crore) and DEN Networks Limited (no inflow) also got clearance from inter-ministerial panel.

India eases customs rules for local arms of multinationals

ET Bureau | Feb 23, 2016, 06.11 AM IST

NEW DELHI: India has simplified rules governing pricing of imports by related parties including Indian arms of import-dependent multinationals such as Swarovski, Apple, BMW, Audi, and Bausch & Lomb, a move that is expected to significantly improve ease of doing business for such entities.

The government has revamped decade and-half-old customs rules and done away with a requirement that made deposit of extra duty on imported goods by such entities mandatory.

The new simplified mechanism has been prescribed to clear up past pendency at special valuation branches (SVBs) of customs. "In order to facilitate quick disposal of cases currently pending with SVBs for renewal, a system of one-time declaration is being provided," said a directive to field formations issued by the Central Board of Excise and Customs.

Typically, transactions between related parties such as subsidiaries of foreign firms do not follow usual business dynamics in terms of pricing. Tax laws mandate that transactions between related parties should be carried out on arms-length basis akin to its dealing with any other entity. Under income tax law, these transactions are governed by transfer pricing rules. The customs has a special arm to deal with such issues, and special valuation branches located at customs house in four metros carry out valuation of imported goods.

Relationship between the importer and the exporter and its influence on the invoice value of an imported good, terms and conditions of joint venture agreements, and technical arrangements are examined closely at SVB to ensure that the country gets due revenue.

The instruction issued in 2001served as the manual for special valuation branch. As per that instruction, an order issued by SVB is valid for three years after which a reassessment is carried out. This has led to long delays of as much as three years in some instances.

Importers are allowed to carry out imports pending SVB decision while making a payment of extra duty deposit. Though this duty, which can in cases go up to as much as 5%, is refundable but manual processes and long pendency have made it very difficult for importers.

Now, requirement of this deposit has been done away with except in cases where the importer fails to furnish requisite information or documents within 60 days of requisition, in which case 5% security deposit shall be imposed strictly only for a period not exceeding three months.

The importer can choose to provide the security deposit either in cash or through a bank guarantee. But, imports of prototypes, exempt goods, or goods valuing less than .`1 lakh, cumulatively not exceeding .`25 lakh in any financial year cannot be taken up for investigation.

The government has also discontinued renewal of SVB orders. In case of change in circumstances or terms and conditions of the agreement, the importer shall declare the same at the place of import, the CBEC directive said.

BANKING/FINANCE

Reserve Bank of India revises norms for NBFC factor companies

Fri, 19 Feb 2016-12:10pm , Mumbai , PTI

The Reserve Bank of India(RBI) on Thursday revised guidelines for NBFC factor companies stipulating that there should be board approved limit for underwriting commitments with a view to mitigate credit risk. Besides, the RBI has also raised a threshold for reporting of frauds from Rs 25 lakh to Rs 1 crore for Non-banking Financial Company (NBFC). "Factoring services should be extended in respect of invoices which represent

genuine trade transactions," RBI said in a notification. Factoring business is a type of financial service wherein a firm sells its accounts receivable to a factoring company, which then pay discounted value to seller against receivable receipts.
"Since under without recourse factoring transactions, the factor is underwriting the credit risk on the debtor, there should be a clearly laid down board-approved limit for all such underwriting commitments," RBI said in a notification.
"NBFC-Factors should carry out a thorough credit appraisal of the debtors before entering into any factoring arrangement or prior to establishing lines of credit with the export factor," it said.
With regard to non-performing asset (NPA) classification, it added, in the case of factoring on 'with-recourse' basis, the exposure would be reckoned on the assignor.
In the case of factoring on 'without-recourse' basis, the exposure would be reckoned on the debtor, irrespective of credit risk cover or protection provided, except in cases of international factoring where the entire credit risk has been assumed by the import factor, it said.
In a separate notification, RBI said it has been decided to revise the threshold for reporting of frauds and submission of quarterly progress reports on frauds to Central Fraud Monitoring Cell, from Rs 25 lakh as on date to Rs 1 crore with immediate effect.
"As regard reporting of frauds and submission of quarterly progress reports on frauds below the revised threshold, NBFCs will have to furnish the same to the Regional Office of Reserve Bank of India, Department of Non-Banking Supervision under whose jurisdiction the registered office of the NBFC falls," it added.

BUSINESS

Cabinet approves MoU between India, Singapore

IANS | New Delhi Feb 17, 2016 05:08 PM IST

The union cabinet on Wednesday gave ex-post facto approval to a Memorandum of Understanding (MoU) signed between India and Singapore Cooperation Enterprise (SCE) in the field of urban planning and governance.
The MoU, signed in November 2015, will allow the two countries to share experiences in the field of urban development, governance and capacity building, an official statement said here.
Prime Minister Narendra Modi chaired the cabinet meeting in New Delhi.

Two S'pore firms pledge to invest millions in India

The Straits Times, Feb 17, 2016

Two Singapore companies are among hundreds of firms that have pledged multimillion-dollar investments during the inaugural "Make in India" event, launched by Prime Minister Narendra Modi in a drive to attract foreign investors.
Singapore pharma firm Chemigran has earmarked one billion rupees (S$21 million) to set up its first manufacturing unit in India, producing anti-cancer drugs, while Hub's Engineering is planning to invest more than $5 million in a plant to make shelves for retailers.
Hub's Engineeering hopes to have its 10,000 sq m factory up and running in three years, while Chemigran, which signed a memorandum of understanding (MOU) at the weekend, aims to set up its unit in 18 months. Both will be in western Maharashtra state.
"The MOUs... will create new opportunities for them to grow with India and global markets. I hope that this will encourage more Singapore companies to follow in their footsteps," said Mr Tan Soon Kim, assistant chief executive of IE Singapore, the government trade agency.
Some 1,000 delegates from 68 countries and 8,000 domestic manufacturing executives are taking part in events in the financial capital, Mumbai. Mr Modi is trying to boost the share of manufacturing from 15 per cent to 25 per cent of gross domestic product in 10 years and create millions of jobs in the process.
Mr Raymond Tan of Hub's Engineering, which will sign an MOU this week, said: "We think it is the right time to start manufacturing... Also, there is a high possibility we will export from India to the Middle East and South-east Asia."
Still, concerns remain over doing business in India. Projects face delays due to issues such as lengthy approval processes and land acquisition.
"We are not sure how things will move in future... when it comes to execution. That worry is there," said Mr Faim Patel, Chemigran's director of business and technology.
According to the Indian government, Singapore is the country's second-largest source of investment,

pumping in US$31.9 billion (S$44.7 billion) from April 2000 to February last year - 13% of the total inflow. While manufacturing and infrastructure have drawn Singapore companies, e-commerce and urban infrastructure are seen as potential growth areas.

Sembcorp launches $4.23b power complex in India

http://sbr.com.sg/energy-offshore/news/sembcorp-launches-423b-power-complex-in-india

Sembcorp Industries has successfully cut the ribbon on its US$3b (roughly $4.23b), 2,640-megawatt power facility in India. According to the company's media release, the Sembcorp Gayatri Power Complex is thus far the largest foreign direct investment-driven project on a single site in India's thermal energy sector.

The complex houses two 1,320-megawatt supercritical coal-fired power plants. Thermal Powertech Corporation India, the first of the two plants, was completed and commenced full commercial operation in September 2015. The second power plant, NCC Power Projects, is expected to be fully operational in 2016. The Sembcorp Gayatri Power Complex is equipped with a covered conveyor system that it transports coal from the coast to the facility, thereby limiting carbon footprint and air pollution. The facility also uses supercritical technology that enables increased efficiency and reduced emissions. Further, the power complex utilises resource recovery that recycles residual ash on-site into building materials for panel and modular construction.

US companies to invest $27 billion in India, US-India Business Council chief says

IANS | Feb 17, 2016, 09.43 PM IST

Over 50 American businesses are expected to invest $27 billion (Rs.1.85 trillion) in India by 2017 as against $15 billion invested since May 2014, US-India Business Council president Mukesh Aghi said on Wednesday.

"We expect 52 US companies to invest $27 billion in India this year and next year, in addition to $15 billion by 20 per cent of our member companies since Prime Minister Narendra Modi assumed office," Aghi said, citing a council survey.

Noting that reforms under Modi's leadership were resonating well with US companies, he commended the country's rise in the ease of doing business index.

"Our members are buoyed by the direction of reforms, including fast-tracking approvals, transparent auction of natural resources and facilitating a level-playing field for investors," he said. Reorganizing its policy groups to address Modi's priorities, focusing on manufacturing ties, the council told Modi at a meeting with him that a robust IP (intellectual property) policy was essential to boost investor confidence.

"We also stressed on greater clarity on certain FDI regulations and implementation of the goods and services tax (GST)," Aghi added.

A delegation led by council chairman and global networking major Cisco head John Chambers met Modi and key ministers to explore new opportunities for the India-US relationship.

Ready to manufacture F-16 jets in India: Lockheed Martin

PTI

US fighter jet maker Lockheed Martin today said it is ready to manufacture F-16 aircraft in India and supports the ongoing talks between the two countries to set up the first manufacturing facility, one of the largest projects under the 'Make in India' initiative.

"We are ready to manufacture F-16 in India and support the Make in India initiative," Phil Shaw, chief executive of Lockheed Martin India Private Ltd told reporters at the Singapore Airshow 2016. But the American corporation's executive did not commit any time-frame to have the plant operational, saying the group supports the ongoing government-to-government talks.

Shaw expressed strong interest in having the F-16 made in India "soon" without elaborating on the time-frame, linking it to the progress of the government-to-government talks. Currently, Lockheed Martin manufactures one jet a month

from its plant in the US and has a series of contracts and joint ventures in India with over 1,000 employees.
It has supplied six C130J Super Hercules planes to India in 2011 and will be delivering another six helicopters next year.
Industry observers said Lockheed Martin’s “wish to manufacture F-16 is based on the strong demand from the Indian armed forces and would want to lower the cost of the planes for exports by using the low-cost capability in India”.
“Certainly, Lockheed Martin would want to exploit the engineering skill and low cost capabilities in India and make F-16 very competitive in the fighter jet markets,” awell-informed source told PTI.
“Both the US government and Lockheed Martin see the advantage of placing a manufacturing base in India and make F-16 affordable for emerging markets,” the source said.
The making of F-16, which will be among the largest projects under the Make in India initiative, will be conditional to the Indian government making contractual commitment to buy the fighter jets for its armed forces, said the source.
“Washington, in return, would ensure technology transfer to the Indian engineering sector and a huge boost to Indian exports,” he said.
If the two government reach an agreement this year or2017, putting aside all differences on the mega project and the US’ move to supply eight F-16 to Pakistan, Lockheed Martin could roll out the first made in India jet in 2019-2020, said the source.
Lockheed Martin has already decided on India as its best option for low-cost and highly qualified engineering workforce, and the final go on this is dependent on approval from New Delhi and Washington.

Honda starts world's largest scooter plant in Gujarat

Business Standard: February 18, 2016

New Delhi: Gujarat is now home to the world's largest scooter manufacturing site, as Japanese two-wheeler giant Honda Motorcycle and Scooter India (HMSI) started its fourth plant in India at Vithalapur, a scooters’-only facility, just 15 km from Suzuki Motor Corporation's upcoming facility in Gujarat.
Spread over 250 acres, the facility has come up in just 13 months with an investment of nearly Rs 1,100 crore. Initially, the plant would produce around 600,000 scooters per annum which would be scaled up to 1.2 million scooters per annum by mid 2016. With the Gujarat plant commencing full production, HMSI's net installed capacity in India would be scaled up to 5.8 million units per annum in 2016 from 4.6 million units at present.
Around 22 vendors of HMSI have set up shop in the vicinity of Vithalapur and in Sanand (about 40 km from here), and have cumulatively invested around Rs 1,100 crore in Gujarat.
HMSI claimed that its fourth plant in India has created job opportunities for 3,000 people (directly and indirectly). About 85 per cent of the operators on the shop floor are local, while about 50 per cent of the managerial staff are from Gujarat.
Inaugurating the facility here, the company said that it was all set to take the two-wheeler market by storm with its all new 'fun-bike' Navi that would hit the Indian roads by April this year. It would, however, be made at its Tapukara plant in Rajasthan and would sport the 110-cc Activa HET engine.
After running full capacity at its three existing plants in India last year, the fourth plant is expected to give HMSI the much-needed volume boost required to clear its current order backlog of 30,000 scooters till January.
Explaining the increasing 'scooterisation' of the Indian as well as the Asian markets, YS Guleria, senior vice president, sales and marketing, HMSI said, automatic scooters now contribute nearly 30 per cent of the two-wheeler market in India, and in the next five years, we see this share going up to 35 per cent.
"Between April 2015 to January 2016, while the overall two-wheeler market in India has declined by 1 per cent, motorcycles have registered a sales decline of 2 per cent, while scooters have registered a growth of 12 per cent," Guleria said.

As such nearly 65 per cent of HMSI's sales in India come from scooters and Keita Muramatsu, president and CEO of HMSI, claimed that India contributes roughly about 25 per cent of HMSI's global sales of 17.5 million two-wheelers. As per data from the Society of Indian Automotive Manufacturers (SIAM), HMSI has sold 3.5 million two-wheelers during April to January 2015-16.

Gujarat roughly accounts for nearly 10 per cent of HMSI's sales and is a key market for the company, and nearly 40 per cent of all two wheelers sold in Gujarat are scooters.

Singapore-based startup RingMD signs MOU with Digital India to deliver healthcare to the masses

https://biotechin.asia/2016/02/26/singapore-based-startup-ringmd-signs-mou-with-digital-india-to-deliver-healthcare-to-the-masses/

RingMD, a Singapore based startup with web and mobile-based app that enables patients and medical professionals of their choice to be easily connected for online video consultations, has just signed an MOU with Digital India to reach more patients in rural India.

Digital India is an initiative launched on 1 July 2015 by Indian Prime Minister Narendra Modi to ensure that government services are made available to citizens electronically by improving online infrastructure and by increasing Internet connectivity. The initiative includes plans to connect rural areas with high-speed Internet networks for the creation of digital infrastructure, delivering services digitally and improving digital literacy.

Especially in India where there are 7 doctors per 10,000 Indians, there just aren't enough doctors to see all patients, who may have travelled for days to the clinics. As a telemedicine app, RingMD provides clinical health care at a distance. It helps eliminate distance barriers and can improve access to medical services that is not consistently available for distant rural Indian communities, patients needing chronicmedical care, and busy professionals.

"This is a great validation for our platform and we are excited to support Digital India's ambitious plan," says Justin Fulcher, CEO and Founder of RingMD.

RingMD has been expanding aggressively around Asia and India is one of its leading growth centres. India is a rapidly developing nation, whose nascent infrastructure cannot keep up with its billion population's healthcare needs.

"With this MOU, we will soon connect over 883 million rural Indians to quality and affordable healthcare,"says Fulcher.

The objective of the MOU is to use RingMD's cutting edge technology to extend healthcare services to rural areas, where close to 70% of India's population reside, through the Common Services Centre (SCS)'s initiatives that are run by Village Level Entrepreneurs across India. Many Indians will get access to quality healthcare for the first time through RingMD's cloud based telemedicine platform that can function in low bandwidth environments.

As Digital India continues to create more access points for rural Indians to get connected to the Internet and CSCs, RingMD will serve as a one-stop medical needs portal. The comprehensive web and mobile app will link patients to a global network of doctors. Besides having electronic consultations, RingMD also provides answers to medical queries.

Singapore-based JuzKidz forays into India; Targets 30 schools in first academic year

http://www.pocketnewsalert.com/2016/02/singapore-based-juzkidz-forays-into.html

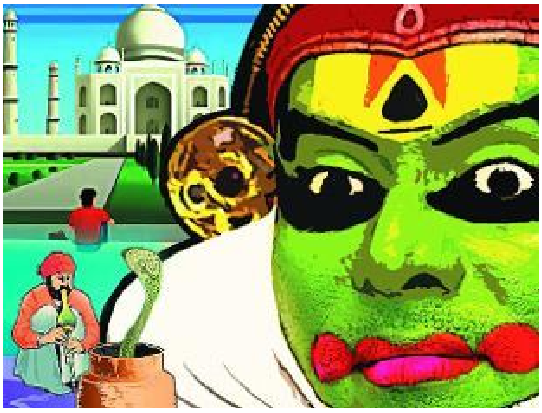
Singapore-based JuzKidz Academy, founded by expert educationist and teacher trainer, Denise Chahal has made a foray into India with its maiden tie-up with The Bangalore School to introduce their early education program to preschoolers and educationists of the city. The JuzKidz Academy Preschool Franchise program aims to associate itself with at least 30 schools in the first year of operations in India.

Announcing this at a press conference here today Ms Denise Chahal, Founder and Academic Head, JuzKidz says, "My years of experience in the field of early education has shown me that children increasingly need to be sensitized to the world around them.

This includes not only interactions with people, but also with the environment all around them. This program is designed to inculcate, right from a young age, the ability to be productive with complete regard to their surroundings." "Our decision to foray into India was because our research showed us that preschools in India are not organized and methodical. They do not have a measurable and auditable program. Juzkidz aims to bring just that into the Indian market", elaborates Ms Chahal.

India should become top tourist destination for Singaporeans: Indian envoy

By PTI | Feb 26, 2016,



India should become number one destination for Singapore tourists, given the number of airlines flying between the two countries, the Indian envoy has said.

"We want India to be the number one destination for Singapore tourists, just as the city state has become a favourite destination for Indian tourists," High Commissioner, Vijay Thakur Singh said yesterday.

Addressing Indiatourism seminar, Singh stressed on the ever strengthening ties between India and Singapore, including people to people contacts. With airlines launching flights to tourist attractions in India, there are more opportunities for Singaporeans to visit different parts of the country, she said at the seminar. Singh also spoke of Indian government efforts to make it easier for travellers and the advantage of the online e-tourist visa. The seminar is an ongoing series launched by Indiatourism across South East Asian capital cities. Meanwhile, Singapore's Changi Airport

Changi Airport has reported 3.44 million Indian passenger movements at the airport, making India as its seventh largest country market last year.

Mumbai was Changi's fourth fastest growing route, plus 8.2 per cent on-year, among destinations with at least half a million passengers handled in 2015.

Bangkok, Colombo and Guangzhou took the top three spots.

The addition of a new service to Lucknow increased the total number of Changi's city links to India to 13, strengthening the airport's position as the most connected airport in Southeast Asia to India.

In the coming months, Singapore's Tiger Air and Scoot will be increasing the number of flights to India, adding more destinations.

In terms of traffic, the top five Indian cities for Changi Airport are Mumbai, Chennai, New Delhi, Bangalore and Tiruchirappalli.

Changi Airport also identified India as fourth amongst the top five nationalities by concession sale in 2015, with 5.9 per cent of retail sales or an increase of plus 4.2 per cent on-year, by Indian passenger traffic during the year.

The annual data also says that favourite buys for Indian passengers last year were perfumes and cosmetics followed by confectionaries, electronics and jewellery

Interactive Session with Singapore's Minister of National Development..*Cont from P. 1*

and leaner ways of construction that use lesser manpower by harnessing virtual modeling , off-site construction and transportation by containers and invited Indian companies to partner in such areas. Over 35 members including ministry officials attended the meeting.

FORTHCOMING EVENTS >>>> *INDIA*

I. 31st India Carpet Expo

Date: 11– 14 March, 2016

Venue: New Delhi, India

Organizer: The Carpet Export Promotion Council (CEPC)

Contact : www.indiancarpets.com

Details: The fair provides a unique platform for the buyers to source the best of handmade carpets, rugs and other floor coverings competitively under one roof. In this regard the Council would like to invite prominent buyers of the above mentioned products in Singapore to attend this event. Selected Buyers will be eligible for the following complimentary package:

- Reimbursement of US $ 550 towards airfare, as a subsidy, for attending India Carpet Expo.
- Complimentary hotel accommodation up to 2 nights (Room rent with breakfast) in Delhi between 10th to 14th March, 2016.
- Buyers of Handmade Carpets/Rugs with Indian Passport, having Permanent Residential Card of residing country, are also eligible for the above package, subject to selection.

II. CAPINDIA 2016

Date: 20-22 March, 2016

Venue: Mumbai, India

Organizer: The Plastics Export Promotion Council (Plexconcil), Chemexcil, Capexil & Shefexil under the aegis of the Dept of Commerce (DoC), Gov of India

Contact : http://www.plexconcil.org

Details: The event is being organized to portray India as a sourcing hub for chemicals, plastics and allied products sector. These include agricultural & industrial inputs, consumer items, packaging items & plastic machinery. In this regard the Council would like to invite prominent buyers of the above mentioned products in Singapore to attend this event. Selected Buyers will be eligible for the following complimentary package :

- To and fro airfare (upto US$ 650)
- Reasonable local hospitality such as local airport transfers, hotel accommodation, lunch, dinner etc. to the sponsored delegates will also be taken care of.

Interested buyers may fill up the buyer registration form available on their website & email to the Council at buyer@capindia.co.in

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

India attracting more and more technologists: Expert

By PTI | Feb 26, 2016

India is more attractive than the other emerging markets for international technology groups, given the huge growth potential of domestic demand, a senior security industry official said today.

"Today, India is the most suitable market to adopt technologies in every sphere of the economy including defence sector," said Richard Wileman, director of business development in international markets at UTC Aerospace Systems, a leading global corporation.

Noting India has opened foreign investment in the defence industry, Wileman said there was much more the Indian government can gain by adopting technologies, which eventually can be manufactured in whole or in parts in the country. "The 'Make in India' is an attractive initiative and allowing Foreign Direct Investment in the defence sector would bring more gains to the Indian economy," Wileman told PTI.

UTC has a big presence in India and employs over 6,000 staff across 80 locations and invested USD5 billion in 2014.

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

IV. Investment in other securities

Q. Can a Non-resident Indian (NRI) and SEBI registered Foreign Institutional Investor (FII)invest in Government Securities/ Treasury bills and Corporate debt?

Ans. Under the FEMA Regulations, only NRIs and SEBI registered FIIs are permitted to purchase Government Securities/Treasury bills and Corporate debt. The details are as under: A. A Non-resident Indian can purchase without limit,

(1) on repatriation basis

i) Dated Government securities (other than bearer securities) or treasury bills or units of domestic mutual funds;

ii) Bonds issued by a public sector undertaking (PSU) in India; and

iii) Shares in Public Sector Enterprises being disinvested by the Government of India.

(2) on non-repatriation basis

i) Dated Government securities (other than bearer securities) or treasury bills or units of domestic mutual funds;

ii) Units of Money Market Mutual Funds in India; and

iii) National Plan/Savings Certificates.

B. A SEBI registered FII may purchase, on repatriation basis, dated Government securities/ treasury bills, listed non-convertible debentures/ bonds issued by an Indian company and units of domestic mutual funds either directly from the issuer of such securities or in any manner as per the prevalent/approved market practice. Purchase of debt instruments including Upper Tier II instruments issued by banks in India and denominated in Indian Rupees by FIIs are subject to limits notified by SEBI and the Reserve Bank from time to time. The present limit for investment in Corporate Debt Instruments like non-convertible debentures / bonds by RFPI/FII/QFI and long term investors is USD 51 billion. FPIs shall not be allowed to make any further investment in CPs. The present limit for investment by SEBI registered Foreign Institutional Investors (FIIs), SEBI registered Qualified Foreign Investors (QFIs) and long term investors registered with SEBI and Registered Foreign Portfolio Investor (RFPI) in Government Securities is USD 30 billion.

For Feedback & Comments, please contact:

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