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India Focus

this issue

BILATERAL

India, Singapore Launch Naval Exercise

http://thediplomat.com/2016/11/india-singapore-launch-naval-exercise/

From October 31 to November 5, the Republic of Singapore Navy (RSN) and the Indian Navy (IN) conducted the 23rd iteration of the Singapore-Indian Maritime Bilateral Exercise (SIMBEX) which first began back in 1994. As with others of its ilk, the exercise has gradually grown in scope and complexity, beginning with an emphasis on anti-submarine warfare but then also including elements like maritime security and anti-air and anti-surface warfare.

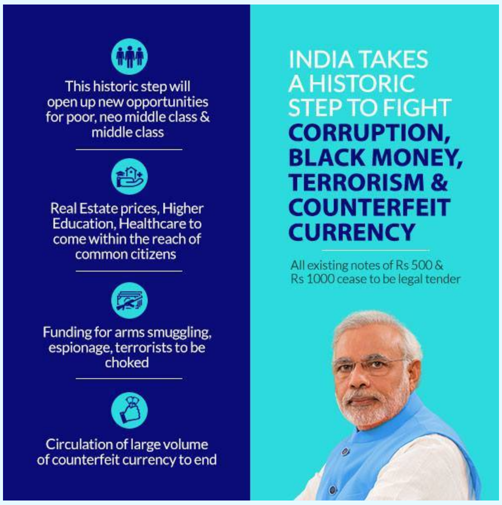
SIMBEX 2016 was hosted by the IN, with the land phase held at Visakhapatnam Naval Base in India, while the sea phase was held in the Bay of Bengal. The exercise itself involved a series of naval warfare serials, including air defense exercises, anti-submarine exercises, and gunnery live-firings, according to a statement by Singapore's defense ministry (MINDEF).

In terms of assets, the RSN deployed a stealth frigate, RSS *Formidable*, and a Republic of Singapore Air Force Fokker-50 maritime patrol aircraft. ***Cont on P. 12***

TOP NEWS

Govt demonitises Rs 500, 1000 notes

The Indian Express; By: Express Web Desk | New Delhi | Updated: November 8, 2016 11:59 pm



Source PMO India

In a step to curb the major issue of black money, Prime Minister Narendra Modi on Tuesday, introduced demonetization of Rs 500 and 1000 currency notes with effect from midnight. Welcoming this step, introduced by the PM, bankers and industry leaders said that it has been "a bold and revolutionary" step, and affirmed their commitment to smoothen the transition.

There has been several statements issued by bankers and industry leaders.

"We will strive to restock ATMs at the earliest and make them operational. The Government has given enough exemptions to ensure urgent needs are met. We will work round the clock to ensure that customers have a smooth experience," ***Cont on P. 2***

India rises to second spot on global business optimism index: Report

PTI | Updated: Nov 6, 2016, 05.44 PM IST

India improved its ranking by one spot in a global index of business optimism, with policy reforms and Goods and Services tax (GST) expected to become a reality soon, says a survey. According to the latest Grant Thornton International Business Report, India was ranked second on the optimism index during the third quarter (July-September 2016). Indonesia took the top spot, with the Philippines coming in third. India was ranked third during the April-June period after being on top for two consecutive quarters. "The improvement in the optimism ranking in the recent past clearly reflects that the reform agenda of the government and its efforts on improving the climate for doing business are having an impact," Grant Thornton India LLP Partner - India Leadership Team Harish H V said. ***Cont on P. 3***

ECONOMY

Cont from P. 1

State Bank of India Chairperson Arundhati Bhattacharya said.

ICICI Bank chief Chanda Kochhar said, "It's perhaps the most significant move ever taken to curtail the parallel economy. It will give a sharp boost to all formal channels of payments which in turn will help the formal economy to grow at a faster clip in the long term."

"It is a big reform which no one expected and will have a huge impact on people who are hoarding money and not disclosing money for tax purposes," mortgage major HDFC Chairman Deepak Parekh said.

Mahindra Group Vice-Chairman Anand Mahindra tweeted, "success required an element of surprise and its incredible that this master stroke was kept confidential." In a lighter vein, he added, "Urgent message to anyone who robbed a bank tonight: You just got robbed…"

Sajjan Jindal of JSW Group termed the move as an "amazing and very brave step to curb black money."

Nirmal Jain, Chairman of leading NBFC IIFL, said the move "is a very powerful measure to curb black money. The Prime Minister has kept his promise of taking stern measures against black money. It was done some 30 years ago and since then a huge build up of unofficial money had happened. On the larger impact of the move, he said it will have deflationary impact in general and more specifically on real estate prices and make homes affordable. It is also indirectly a boon to honest tax payers."

Mukesh Butani, Managing Partner, BMR Legal, said, "An unprecedented, bold move leading charge from the front, the PM in the most secretively planned, seamlessly executed a move to root out unaccounted and counterfeit currency. A combination of national security concerns and wider agenda to filter out unaccounted income guided the Government to make this move. Figures of high denomination currency in circulation in past 5 years compared to growth in the economy pointed towards indicators of unaccounted money in circulation. Timing was perfect – a month after closure of the income disclosure week and a week after Diwali such that the impact of short term disruption in festive period is minimised."

Co-founder and CEO, CoinTribe, Amit Sachdev, said, "PM Modi's move is a watershed moment in India's fight against the ubiquitous black money issue executed with the finesse and secrecy this issue deserves. While this will have several significant benefits for the economy in the long term, there is likely to be a negative impact on sectors with high cash economy in the immediate term. Sectors like Real estate, construction material, unorganized trade and services will see significant pain in the near term. With liquidity drying up, both NPA and demand for working capital credit are likely to go up. In view of bank's ongoing NPA issues, how fast will banks react to this situation will be interesting to watch. With limited tax arbitrage between organized and unorganized segments, India will see much sharper move from unorganized to organized segment.

In the long term, though, this is likely to drive several benefits for the economy. India has made the first move from cash economy to a digital economy. Larger amount of savings and cash will find a way into the mainstream economy and be deployed for physical and financial asset creation. Use of digital currency and payment systems driven by UPI, wallets and cards will create enormous transparency and paves way for faster evolution of Fintech companies in India especially in transactions and Online lending space.

Mr Modi has made the right investment for the next generation. This move should improve India's position on transparency and corruption in the global league table enabling higher capital flow (FDI/FII) into India. It would be good step for government to think of another VDS scheme with 70-80% penalty rate to bridge fiscal deficits."

In a statement, Kunal Bahl, Co-founder & CEO Snapdeal said, "We welcome the Government's bold and courageous move to weed out black money, which will have significant long term benefits for the economy. With this, the quantum of India's economy moving through the digital pipes will witness massive growth. Both Snapdeal and FreeCharge are committed to supporting all such initiatives."

Anuj Puri, Chairman & Country Head, JLL India said, "The banning of higher currency notes is a major move which will help curb unaccounted-for cash in the real estate sector. We have just witnessed a tremendous step towards increased transparency in the Indian real estate industry. The effects will be far-reaching and immediate, and shake up the sector in no uncertain way. "

India rises to second spot on global business optimism index: Report..

Cont from P. 1

High business optimism was also complimented by the rise of employment expectations. India regained its top position on this parameter, from second position in the April-June period, while profitability expectations also moved up. "...all the programs and initiatives of the government as well as its focus on building relationships with all major economic powers has made India a bright spot in the global economy," Harish said, adding the recent push for GST augurs well and should give a further boost to business optimism. While India continues to be amongst the top five countries citing regulations and red tape as a constraint on growth, for the first time in the year, the country's ranking on this parameter has dropped from second to fourth.

As per the survey, 59 per cent of the respondents have quoted this as an impediment in the growth prospects compared to 64 per cent in the previous quarter.

The report is prepared on the basis of a quarterly conducted global business survey of 2,500 businesses across 36 economies.

Meanwhile, in terms of revenue expectations, India slipped to third position from top in the previous quarter.

In spite of the downturn, India is much ahead of China where only 30 per cent respondents expect an increase in revenue, whereas in India, 85 per cent respondents have voted in favour of increasing revenue.

The survey further noted that 68 per cent of respondents have voted for an upsurge in selling prices. On this parameter too, China lags India with only 10 per cent of respondents expecting an upsurge in selling prices. The global average is 19 per cent.

Globally, business optimism stands at net 33 per cent, rising 1 percentage point from the previous quarter but falling 11 percentage points over the year.

"Political events such as Brexit and the US presidential election understandably rattle the global economy and test the resilience and elasticity of businesses worldwide. In general, businesses do not like uncertainty, and that is what is happening," Grant Thornton Global CEO Ed Nusbaum said.

Economy likely to grow at 7.6% in 2016-17: NCAER

ttp://www.moneycontrol.com/news/economy/economy-likely-to-grow-at-762016-17-ncaer_7908121.html?utm_source=ref_article

Economic think-tank NCAER has pegged India's GDP growth at 7.6 per cent for the current fiscal on back of pick-up in rural demand and "positive signals" on the manufacturing front. India's economy had expanded at 7.6 per cent in 2015-16. On one hand, it said the anticipated improvement in the agricultural sector and the associated increase in rural demand will give an upward push to economic growth. The manufacturing sector is also giving positive signals with Purchasers' Managers Index, Index of Industrial Production for core sectors and auto sales going up. The domestic aviation sector growth continues to be robust. "However, other service index indicators continue to be muted. Food inflation is also showing signs of dampening in the latter part of the second quarter. However, fuel inflation may revive. Although urban demand is predicted to remain strong, external demand continues to be volatile," NCAER said in statement. Its estimates show that the output of kharif foodgrains is expected to reflect an increase of 10 per cent to 11 per cent over last year's output of 124 million tonnes. It further said that India's fiscal position remained under stress during first half of the current fiscal. Despite healthy growth in tax revenues, the combination of rising expenditure and lower-than-expected non-tax revenues is likely to "test the government's resolve" to abide by the fiscal deficit target set out in Budget 2016-17, NCAER added. The National Council of Applied Economic Research (NCAER) is one of India's oldest economic think-tank set up in 1956.

Manufacturing PMI hits 22-month high in October

Business Standard: November 02, 2016

Growth in India’s manufacturing activity touched a 22-month high in October, with a stronger rise in new orders and output, showed the widely tracked Nikkei India Manufacturing Purchasing Managers’ Index (PMI).

Even so, companies did not generate additional employment. Meanwhile, inflationary pressures picked up on the more accommodative stance of the Reserve Bank of India (RBI) and companies passed on higher prices. RBI's stance boosted manufacturing growth. The PMI rose to 54.4 in October, after falling to 52.1 in September from 52.6 in August. The 50-point mark separates expansion from contraction.

Data on the Index of Industrial Production (IIP) showed manufacturing output declined for July and August. The eight-industry core sector index, comprising almost 38 per cent of the IIP, rose to a three-month high of five per cent in September, giving broad indications that manufacturing might increase in September and could be sustained in October because of festival season demand. The latest PMI reading showed robust improvement in manufacturing business. Once again, consumer goods producers outperformed their intermediate and investment goods counterparts, with stronger expansion for both output and orders.

In October, output increased for a 10th straight month and at the quickest rate in nearly four years. In spite of this, businesses left employment unchanged, a trend that has continued for many months.

The amount of new work received by manufacturers grew markedly during October, with anecdotal evidence linking the latest rise to improved underlying demand. The rate of expansion was at a 22-month high. Although data indicated that foreign orders contributed to the upturn in total new work, the rate of growth in new business from abroad eased to a three-month low.

The overall rate of accumulation was the quickest in almost three years, with survey members reporting capacity pressures.

India bounces back on Nielsen consumer index

Business Standard

After a blip in the second quarter of 2016 (CY16),consumer confidence index of the country is back on top.

Latest data released by market research agency Nielsenshow that India topped the list of countries with a score of 133, a point lower than the nine-year high of 134 in Q1CY16.

The jump from Q2 (when India's index was 128) is significant. Nielsen said it highlighted the confidence level among Indian consumers at the moment. The global consumer confidence average is only 99 in Q3, indicating how strong consumer confidence is.

"The latest score for India is the highest historically for the quarter, and reiterates renewed optimism levels as well. This is now back to first-quarter highs and is in line with the observation that the last quarter was a temporary dip. It is a testimony to the fact that the fundamentals of the economy remain strong," Prasun Basu, president, South Asia, Nielsen, said.

The survey for the current index was done between August 2 and September 10, covering online respondents in 63 countries. The Phillipines and Indonesia come in at number two and three, with scores of 132 and 122, respectively. Specifically, sentiment levels among Indian consumers about personal finance, Nielsen said, had improved by six percentage points to 84 per cent in Q3 versus 78 per cent in Q2. Over 81 per cent respondents indicated optimism over job prospects in the third quarter, higher than the 78 per cent seen in Q2, Nielsen said. "The positive sentiment is helped by delayed but good monsoon, controlled inflation, positive economic outlook, and the onset of the festive season," Basu said.

"The fast-moving consumer goods market, in fact, shows a similar pattern of bounceback in the third quarter, following a muted second quarter," he said.

Recessionary sentiment among Indian consumers was lower by four percentage points at 54 per cent in Q3, versus 50 per cent in Q2. Sixty-eight per cent of urban Indians say it is a good time to buy things, while 56 per cent said they would spend on holidays and vacations.

GST Council sets rates, four main tax slabs ranging from 5% to 28%

HT Business: November 04, 2016

The all-powerful GST Council on Thursday agreed to give a little more relief to the poor and a little more grief to the rich in the goods and services tax (GST) slated to take effect on April 1 next year.

The council did not give in to the demands that the number of rates be reduced, since the ideal GST has just one rate. The number of rates remains four, though the lowest comes down from the earlier proposal of 6% to 5%, and the highest goes up from 26% to 28%. The two standard rates – which will apply to the bulk of the items -- are 12% and 18%.

There will be no tax on essential items such as food – this is likely to beat down inflation, which

Cont on P. 6

National Intellectual Property Rights (IPR) Policy

Highlights:

- The Policy aims to push IPRs as a marketable financial asset, promote innovation and entrepreneurship, while protecting public interest.
- The plan will be reviewed every five years in consultation with stakeholders.
- In order to have strong and effective IPR laws, steps would be taken — including review of existing IP laws — to update and improve them or to remove anomalies and inconsistencies.
- The policy is entirely compliant with the WTO's agreement on TRIPS.
- Special thrust on awareness generation and effective enforcement of IPRs, besides encouragement of IP commercialisation through various incentives.
- India will engage constructively in the negotiation of international treaties and agreements in consultation with stakeholders. The government will examine accession to some multilateral treaties which are in India's interest, and become a signatory to those treaties which India has de facto implemented to enable it to participate in their decision making process, the policy said.
- It suggests making the department of industrial policy and promotion (DIPP) the nodal agency for all IPR issues. Copyrights related issues will also come under DIPP's ambit from that of the Human Resource Development (HRD) Ministry.
- Trademark offices have been modernised, and the aim is to reduce the time taken for examination and registration to just 1 month by 2017. The government has already hired around 100 new examiners for trademarks. Examination time for trademarks has been reduced from 13 months to 8 months, with the new target being to bring the time down to one month by March 2017.
- Films, music, industrial drawings will be all covered by copyright.
- The Policy also seeks to facilitate domestic IPR filings, for the entire value chain from IPR generation to commercialisation. It aims to promote research and development through tax benefits.
- Proposal to create an effective loan guarantee scheme to encourage start-ups.
- It also says "India will continue to utilise the legislative space and flexibilities available in international treaties and the TRIPS Agreement." These flexibilities include the sovereign right of countries to use provisions such as Section 3(d) and CLs for ensuring the availability of essential and life-saving drugs at affordable prices.
- The policy left the country's patent laws intact and specifically did not open up Section 3(d) of the Patents Act, which sets the standard for what is considered an invention in India, for reinterpretation.
- On compulsory licensing (CL), India has issued only CL for a cancer drug. Mr. Jaitley said, "We rarely exercise this power." The statement assumes significance as developed countries, including the US, have raised concerns over India issuing the CL. As per the WTO norms, a CL can be invoked by a government allowing a company to produce a patented product without the consent of the patent owner in public interest. Under the Indian Patents Act, a CL can be issued for a drug if the medicine is deemed unaffordable, among other conditions, and the government grants permission to qualified generic drug makers to manufacture it.
- The IPR policy favoured the government considering financial support for a limited period on sale and export of products based on IPRs generated from public-funded research.

Source The Hindu

Cont from P. 4

has afflicted food items in particular. The lowest rate of 5% is on items of common use and the highest for luxury goods that now attract a total tax – value-added tax and excise – of 30 to 31%.

"I hope the indirect tax outgo for the common man will be marginally lower under the GST," finance minister Arun Jaitley said in a media briefing after the first day of the GST Council's sixth meeting in New Delhi.

"The zero-tax rate will apply to half of the items in the CPI (consumer price index) basket, including food grain used by the common man." The council will meet again on Friday.

The outgo will be more for those who buy luxury cars, aerated drinks, and cigarettes and other tobacco products. Dubbed "demerit goods", these will be taxed at 28% and attract a cess that may take the total to 40% or more, though there is no confirmation yet of how much the cess will be.

The cess, Jaitley said, will not be an additional burden on the taxpayers because the total of 28% and cess will not exceed the total of the existing levies.

The collections from this cess will create a pool that will compensate states for loss of revenue as they shift from the earlier structure to GST, which will subsume levies such as excise, service tax, and VAT. That loss in revenue is expected to be Rs 50,000 crore in the first year alone. This cess will lapse after five years.

The structure agreed only applies to goods. The next step is to classify the goods under each rate and decide on the rates for services.

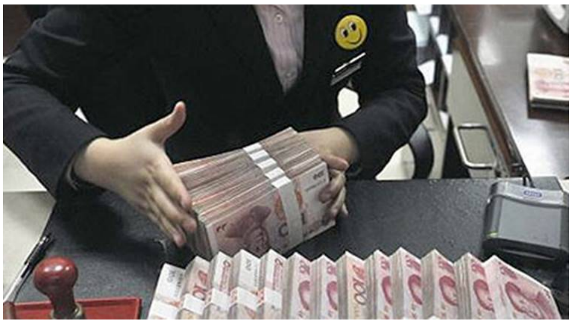
Revenue secretary Hasmukh Adhia said most services might come under the 18% rate. "We are very hopeful that the central GST and Integrated GST legislation will be presented in Parliament in the winter session," he said.

There were some sceptical voices. The Confederation of Indian Industry, an association of companies, said the GST law does not clarify if the administration for assessment and audits will be done by the central government or states. Dual administration, said CII president Naushad Forbes, will put an additional burden on companies.

Bipin Sapra, tax head at consultancy and audit firm EY, said the multiple rates will create issues of classification of goods and services, and throw up disputes. "But, at the same time, the effort is to keep the prices of many commodities under control," said Sapra

FDI in India rises 30% to $21.6 billion in period between April & Sep

By: PTI | New Delhi | Published:November 6, 2016



Foreign direct investment (FDI) into the country grew by over 30 per cent to USD 21.62 billion during the first half of 2016-17. During April-September of 2015-16, India received FDI worth USD 16.63 billion, an official said. "Ease of doing business and relaxation in the FDI policy are helping attract more and more FDI. The recent easing in sectors like civil aviation and construction will help in attracting more overseas funds," the official added.

The sectors that receive maximum inflows include computer hardware and software, trading business, automobile industry and chemicals. India receives maximum FDI from countries, including Mauritius, Singapore, the Netherlands and Japan.

In 2015-16, FDI went up 29 per cent to USD 40 billion as against USD 30.93 billion in the previous fiscal. Foreign investment is considered crucial for India, which around USD 1 trillion to overhaul its infrastructure such as ports, airports and highways to put growth on a higher trajectory. Growth in foreign investments helps improve the country's balance of payments (BoP) situation and strengthen the rupee.

FDI In Services Sector Soars To $5.28 Billion During April-September

PTI

With government taking steps to improve the ease of doing business and attracting foreign investments, foreign direct investment inflows into the services sector jumped by over two and a half times to $5.28 billion in the April-September period of the current fiscal.The sector, which includes banking, insurance, outsourcing, R&D, courier and technology testing,

had received FDI worth $1.46 billion during April-September 2015, according to the Department of Industrial Policy and Promotion (DIPP).
The government has taken several measures such as fixing timeliness for approvals and streamlining procedures to improve ease of doing business in the country and to attract domestic and foreign investments.
With growth in FDI in important sector like services, overall foreign inflows in the country rose by 30 percent to $21.62 billion during the first half of 2016-17.
The services sector contributes over 60 percent to India's GDP. In 2015-16, foreign investment in services had increased to $6.89 billion from $4.44 billion in 2014-15. FDI in the sector accounts for 18 percent of the country's total foreign investment inflows.
The government is focusing on enhancing services exports. It is organising global services exhibition besides the commerce ministry has worked out a proposal to relax norms in the sector, including higher education to attract foreign players.
The other sectors where inflows have recorded growth are: telecom ($2.78 billion), trading ($1.48 billion), computer hardware and software ($1.03 billion) and automobile ($729 million) during April-September 2016-17.
Foreign investments are considered crucial for India, which needs around $1 trillion for overhauling its infrastructure sector such as ports, airports and highways to boost growth.
A strong inflow of foreign investments will help improve the country's balance of payments situation and strengthen the rupee value against other global currencies, especially the U.S. dollar.

BANKING/FINANCE

RBI tweaks S4A debt restructuring norms

Livemint: November 11, 2016

The Reserve Bank of India (RBI) eased the rules for various stressed asset resolution schemes and expanded the scope of a loan recast plan previously limited to the infrastructure sector.
RBI also streamlined the process for change of ownership of stressed assets outside of the so-called strategic debt restructuring (SDR) process, which allowed creditors to convert debt into equity and take over the management of defaulting companies.
Under its latest loan resolution plan, the scheme for sustainable structuring of stressed assets (S4A), RBI has allowed banks to classify at least half the debt involved as a standard assets.
Under S4A guidelines, first announced in June, banks were allowed to split the funded liabilities of a stressed company into sustainable and unsustainable debt.
The sustainable debt would be left alone to perform or be restructured if necessary, while the unsustainable debt would be converted into equity or equity-like, long-dated securities and redeemed at a later date.
The revised norms say in case a non-performing asset (NPA) is restructured under S4A norms, the sustainable part of the debt can be classified as standard if banks set aside provisions equal to at least 50% of the debt classified as unsustainable or 20% of aggregate debt, whichever his higher.
“For this purpose, the provisions already held in the account can be reckoned,” RBI guidelines said. When these norms were introduced in June, if the account was an NPA on the reference date, banks were asked to classify both halves as an NPA even when S4A restructuring was under process. In case the account is standard when it goes into S4A, the entire outstanding debt will remain standard, subject to provisions made upfront by the lenders being at least 40% of the unsustainable amount or 20% of the aggregate outstanding, whichever is higher.
Since standard assets require lower provisions, this would require banks to set a smaller amount aside. RBI also said the unsustainable part of debt in any S4A—whether the account was NPA or standard at the time of restructuring—could be upgraded to standard, if the sustainable half of the debt performed satisfactorily for one year. Banks would also be allowed to reverse all provisions made when the unsustainable half of the debt is upgraded. However, in all cases, the required mark-to-market provisions on instruments after conversion of unsustainable debt must be maintained at all times.
In the so-called 5/25 scheme, which allowed loan payments to be stretched out, RBI has increased the coverage to all sectors. It has also allowed smaller projects—where banks have at least Rs250 crore exposure—to qualify for this scheme. Not all rules have been eased. In SDR, RBI said banks cannot book income after 90 days of invoking the scheme even though they continue to classify the asset as standard.

In cases where banks have decided to change ownership in a firm outside SDR norms, deadlines were set for these changes. According to RBI, the conversion of debt into equity should be completed in 90 days from date of approval by a lending consortium or the joint lender forum. In case a pledge of equity shares is invoked, it has set a deadline of 180 days. Banks were sitting on a Rs6.3 trillion pile of bad loans at end of June.

RBI issues guidelines for forex hedging by foreign companies

http://in.reuters.com/article/india-rbi-currency-idINKBN12Z1IJ

Reserve Bank of India (RBI) issued draft guidelines on how Indian subsidiaries of multinational companies can hedge their currency exposure risk in the country.

RBI said on Friday that subsidiaries looking to hedge their exposure outside of exports and imports could do so through all foreign currency-rupee derivatives, over-the-counter, and exchange -traded products.

It also said profits and losses arising from hedging transactions in India must be reflected in the books of the domestic subsidiaries of multinational companies, among other guidelines.

Previously, multinational companies could only hedge currency risk arising out of transactions involving imports and exports.

The RBI had said last month that it would widen the scope of activities where hedging was allowed.Market participants and banks can submit their comments about the proposed guidelines by Nov. 11, the RBI said.

India scores high in financial inclusion: report

Live Mint

The Global Microscope 2016 report assesses the regulatory environment for financial inclusion across 12 indicators and 55 countries. Leading countries in the field of financial inclusion show consistency across the board in the index.

For the first time in 7 years, Peru does not occupy the top spot alone: it has been joined by Colombia, last year's number two country. While these two leaders continue to perform highly, and in Colombia's case to strengthen certain areas, the more substantial shift and interesting story is about India.

India is now firmly among the leaders, having tied with the Philippines for third position overall. India is the leader among several countries that have jumped forward substantially this year due to deliberate efforts to upgrade their financial inclusion systems.

Far reaching

In the four leading countries, financial inclusion has been on the policy agenda for many years. The central banks of Peru and the Philippines were among the 17 original participants in the Maya Declaration in 2011. The Reserve Bank of India (RBI), meanwhile, has not signed the declaration, but there is no doubting its commitment. With a historic commitment to finance the lower-income segment that stretches back decades, India has taken steps during the past 10 years to modernise its financial system, particularly leveraging technology to bring more of the population in. India has shown dramatic improvement in the Global Microscope between 2014 and 2016. India's financial inclusion policy, Pradhan Mantri Jan-Dhan Yojana, has the political will and institutional support of the government and the RBI. This is demonstrated with quantifiable goals, such as the opening of 100 million bank accounts for low-income families in 2014 and assisted by the Aadhaar national biometric identification programme. The momentum in account opening continued over the next 2 years, reaching 221 million by April 2016. The plan also emphasises access to credit, insurance and pension facilities, as well as the goal of channelling all government benefits into beneficiaries' bank accounts to increase usage. The RBI has targets in place to provide alternative sources of access through bank branches, bank correspondents, ATMs and satellite branches in villages of 2,000 or more residents. It has also issued guidelines to strengthen financial literacy. In addition, the RBI is working to strengthen the payment system with the launch of the Unified Payment Interface (UPI) to facilitate digital money transfers.

The greater attention to digital technologies for financial inclusion holds promise. In the 2014-15 period, countries' scores in this area rose by a remarkable 11 points on average, indicating widespread, positive action to create a regulatory environment more conducive to digital economic activity. Apart from improvements year to year, several of the countries in the study continue to receive the highest score of 100 out of 100 in the overall indicator of e-payments. These are: Bolivia, Ghana, India, Kenya, Sri Lanka and Tanzania, with India being the addition this year.

Overall scores and rankings

India has shown a marked improvement in this financial inclusion index

Rank/55	Country	Score/100	Change
1	Colombia	89	3
1	Peru	89	-1
3	India	78	7
3	Philippines	78	-3
5	Pakistan	63	-1
6	Chile	62	0
6	Tanzania	62	0
8	Kenya	61	5
8	Rwanda	61	7
10	Mexico	60	0

Top 10 countries in the Microscope 2015 rankings
Normalised score 0-100, where 100=best
Source: 2016 Global Microscope Report

Low on transactions

Select indicators for India from the Global Findex, 2014

Regulation of e-payments (Global Microscope 2016)	100
Account at a financial institution (%, age 15+)	52.8
Made transaction from an account at a financial institution using a mobile phone (% with an account, age 15+)	6.1
Mobile phone used to receive money (%, age 15+)	2
Main mode of withdrawal: ATM (% with an account, age 15+)	33.1

Source: Global Findex Database 2014, Policy Research Working Paper 7255: "Measuring Financial Inclusion around the World", April 2015.

In India, both central and state government transfers to low-income populations are increasingly delivered through bank accounts. By April 2016, around $900 million were being transferred to 300 million people every month under 56 government schemes.

With more and more "inclusive" bank accounts being opened, attention must now shift to the use of those accounts. In too many places, inclusion still entails no more than the withdrawal of transfer payments from accounts that are otherwise dormant. The monitoring of information on transactions in such accounts is the first step to understanding what measures need to be taken to facilitate the use of those accounts.

The RBI has been monitoring transactions in e-enabled inclusive accounts over the past 6 years.

The average number of annual transactions in such accounts has remained between 2.5 and 3.0 over the past 5 years; and the number of e-enabled inclusive accounts has increased from 30 million to more than 220 million during this period. Ongoing concern about account dormancy has led to the liberalisation of agent banking rules in India in order to facilitate account use.

The Microscope was originally developed for countries in the Latin American and Caribbean regions in 2007 and was expanded into a global study in 2009. This work was supported by funding from the Multilateral Investment Fund (MIF); the Center for Financial Inclusion at Accion, and the MetLife Foundation.

BUSINESS

India emerges a hub for start-ups

IBEF: November 07, 2016

New Delhi: India has emerged as the third largest technology startup hub in the world in terms of number of tech-startups, just behind the US and the UK, according to a report by Assocham in association with Thought Arbitrage Research Institute. The US has more than 47,000 technology driven startups followed by the UK with over 4,500 and India with over 4,200 startups. Bengaluru is host to the largest number of technology startups in the country, followed by Delhi NCR and Mumbai, while Hyderabad and Chennai are also quite popular among budding tech entrepreneurs. Bengaluru is host to 26 per cent of domestic tech startups, followed by Delhi NCR (23 per cent), Mumbai (17 per cent), Hyderabad (8 per cent), Chennai (6 per cent) and Pune (6 per cent). In terms of total number of startups, including both tech and non-tech, India stands among the five largest hosts in the world with around 10,000 startups.

India plans masala bond sale in London and Singapore to build roads

http://www.businesstimes.com.sg/government-economy/india-plans-masala-bond-sale-in-london-and-singapore-to-build-roads

India plans to sell as much as 50 billion rupees (S$1.04 billion) of offshore rupee bonds in London and Singapore and use the proceeds to accelerate construction of roads and ports in Asia's third-largest economy.

State-owned National Highways Authority of India will raise the funds, Transport Minister Nitin Gadkari said, adding that the masala bonds are expected to be priced at 7.25 per cent. The sale, which will be done in phases, will be the largest such issuance by a state-run firm since NTPC Ltd, the nation's biggest power producer, raised 20 billion rupees in August.

Mr Gadkari is betting that cheaper overseas funds will help the government meet its target of building 42 kilometres of roads a day in the nation that stands below Namibia and Azerbaijan in the World Economic Forum's infrastructure ranking.

Prime Minister Narendra Modi's administration, which faces crucial elections across several states next year, aims to spend as much as US$14.5 billion in the year to March on expanding India's network of roads and ports, amid slowing private investment.

"In India, interest costs are very high," Mr Gadkari said in an interview in Bloomberg's Mumbai office. Interest rates charged for infrastructure projects elsewhere in the world are as low as 2 to

3 per cent, he said.

NHAI Revamp

The road-building authority, or NHAI, sent requests for proposals to potential arrangers in June for a planned masala bond issuance, people familiar with the matter said back then. Indian banks, burdened by about US$120 billion in stressed assets in infrastructure, lend at rates as high as 11 per cent, forcing borrowers to look overseas for cheaper funds, according to the minister.

Housing Development Finance Corp has raised 50 billion rupees via masala issuance till date, the most from any issuer so far, according to data compiled by Bloomberg. India's biggest mortgage lender opened the market for local companies in July with a 30 billion rupee sale of masala notes.

"NHAI should get the finest pricing, if it taps the masala bond market, due to the company's quasi-sovereign status," said Ajay Manglunia, Mumbai-based head of fixed income at Edelweiss Financial Services Ltd.

"There is no doubt the masala market is promising for infrastructure borrowers."

The government may revamp NHAI as part of its plans to accelerate execution of infrastructure projects, Mr Gadkari said.

Abbott to set up innovation hub in India

Economic Times: November 07, 2016

Mumbai: Global drug maker Abbott is setting up an innovation and development center (I&D) in Mumbai aimed at developing new drug formulations, new indications, dosing, packaging and other differentiated offerings to feed into its global branded generics business that clocked sales of $3.7 billion last year. The centre will act as a “hub” and ship products to at least 30 countries that will further develop the products to suit local needs. Abbott officials did not divulge the amount it is planning to invest.

Speaking to ET, Mike Warmuth, Executive VP, Established Pharmaceuticals division of Abbott said the proposed investments will result in doubling of its local scientific manpower like packaging technologists, formulation development specialists and clinicians. The centre will also have a pilot scale plant, he added. “We are investing in innovation and scale and we are doing it in areas where people have needs. It is not about getting sales for the sake of getting bigger,” Warmuth, who is based in Basel, Switzerland, told ET on his second trip to India in the last two weeks.

Abbott has its existing innovation and development centres in Chile and Columbia for the regional needs in Latin America and one in Russia. The Indian I&D hub is expected to become its biggest center in the next few years.

The drugs-to-devices giant drew over a fifth or $850 million (Rs. 5673 crore) of its global branded generics business from India in 2015. Warmuth described India as a “cornerstone of success” making specific reference as a “talent exporter” and how it helped Abbott gain a scientific edge in its other countries of operations.

Warmuth said he expects the India business to outperform the market consistently as in the case of its other 15 priority markets that together contribute 75% of the total sales. “We do the heavy lifting, providing products at a rate that is affordable and not price gouging,” he noted. He said his company will explore about 20 to 30 products that are likely to come off-patent in near future. Beyond that, Warmuth said part of his “model” includes in-licensing drugs that may include biosimilars. It exists in the “realm of the possibility” but not necessarily of a big scale in India.

Abbott is uniquely positioned in the global branded generics business. It carved out the business and separated AbbVie, its innovation products business. Abbot has been among the most aggressive investors in India. Last year in one of the biggest deals in the real estate space, it acquired commercial property in Mumbai’s business district Bandra Kurla Complex at Rs 1479 crore.

The drug maker had leapfrogged to the number one position India after it snapped up Piramal Healthcare’s prescriptions business for $3.7 billion in 2010. Last year Abbott slipped to second position with Sun Pharma acquiring Ranbaxy to gain the top spot.

Asked about the overall regulatory and economic environment in India, Warmuth said the regulators are trying to do the right things but he maintained it would be good to see the environment a little more stable when making investment decisions. “Overall that does not really change our view on the market itself,” Warmuth added.

Ford to build global tech, business centre in Chennai

Livemint: November 09, 2016

New Delhi: Ford Motor Co. on Tuesday said that it will invest $195 million (Rs1,300 crore) in Chennai to build a global technology and business centre that will serve as a hub for product development, mobility solutions and business services for India and other markets around the world.

The centre will also house the company's largest information technology organization outside of the company's global headquarters. Mint had in October 2015 first reported about Ford's plans to set up a global technology and business centre in India."India is not only a vibrant market for cars and new mobility ideas, it also is rich with talent, technical expertise and ingenuity," executive chairman Bill Ford said in a statement. "This new center will help us attract the best and brightest, and make Chennai a true hub of innovation for Ford around the world."

Once it gets completed in 2019, the centre will become Ford's third global product development centre in Asia Pacific and part of Ford's global product development network.

"It also will feature a wide range of laboratories and testing facilities for both full vehicles and components, enabling Ford to conduct extensive testing of future vehicles in India," the company said in a statement.

However, Tuesday's announcement is unlikely to help Ford's India operations immediately and the focus will be more on feeding into the Detroit-based company's global operations.

Ford in India continues to struggle even after being present in the country for more than 20 years, in which the Indian market has changed drastically. In the six years between 2010-11 and 2015-16, the American car maker's annual sales in India have grown only twice.

Sales reached the highest at 98,537 units in 2010-11 because of the success of the Figo but they declined to 92,665 units and 77,225 units in 2011-12 and 2012-13, respectively.

Sales grew in 2013-14 and fell in 2014-15 only to rise again in 2015-16, albeit on a smaller base.

During the same period, the Indian passenger vehicle market expanded from 2.52 million units to 2.78 million.

In recent times, the company's second generation Figo failed to receive the kind of response that the previous one did. Ford did create a new compact SUV segment with the EcoSport, but it failed to capitalize on the first-mover advantage. The segment is now dominated by market leader Maruti Suzuki India Ltd and Hyundai Motor India Ltd.

Ford, along with Volkswagen India Pvt. Ltd, was the last one to enter the sub-four-metre sedan category but demand in the segment has waned, which meant lukewarm response for the American car maker's Figo Aspire.

In pursuit of making its business sustainable, the company has changed tack and shifted focus to exports, which grew 41.37% to 55,821 units between April and September.

India's overall car exports grew 3.89% to 319,579 units.In the new centre in Chennai, the company will hire 3,000 skilled workers over the next five years. "Ford also will consolidate 9,000 employees from six existing facilities in Chennai on the 28-acre campus," the company said in a statement.Ford has invested over $2 billion in India to set up two plants, one each in Chennai and Sanand in Gujarat. Together, these plants have the capacity to make 610,000 engines and 440,000 passenger vehicles a year.

Dyson eyes India entry next year with own retail stores

***Livemint**: November 08, 2016*

New Delhi: Dyson Ltd, the UK maker of innovative vacuum cleaners and air purifiers, plans to enter India with its own retail stores by the middle of 2017.

The company has already sought permission from the Department of Industrial Policy and Promotion (DIPP) to import and sell products in the country. "If we get the permit we'll set up middle of next year. Over the first five years, we'll invest about £154 million in India. Our investment will be in building infrastructure (retail), taxes (to the government), marketing and promotions," said founder James Dyson, who is known for inventing cyclonic bagless vacuum cleaner. The founder was in India to participate in the India-UK Tech Summit held in New Delhi. For Dyson, India will be its 76th market.The company will set up a retail store in each of the top 20 cities in India, sell through other retailers and online shopping portals in India. "Online helps our business. We sell through Amazon in some countries and may sell through Amazon in India as well," he added.

Jet Airways to launch direct daily Bengaluru - Singapore flight

http://www.dnaindia.com/money/report-jet-airways-to-launch-direct-daily-bengaluru-singapore-flight-2271241

Jet Airways is slated to launch a direct daily flight from Bengaluru to Singapore, from

December 14, 2016, the airline said in a statement.

"This service has been introduced in response to growing demand on this sector, particularly from business and corporate travellers," Jet Airways said.

"Over the past two years, there has been an encouraging 15% year-on-year growth from Singapore to South Indian cities," the carrier said.

The new flight will give passengers from Hyderabad, Mangaluru, Coimbatore and Thiruvananthapuram connectivity to Singapore from Bengaluru, it said.

Jet Airways flight 9W 024 will depart Bengaluru's Kempegowda International Airport at 1110 hrs and arrive in Singapore at 1810 hrs (Local Time). The flight 9W 023 will leave Singapore at 1915 hrs (LT) to arrive in Bengaluru at 2115 hrs (LT).

Commenting on the latest flight operations, Jayaraj Shanmugam, chief commercial officer, Jet Airways, said, "The introduction of this new service is in keeping with the growing popularity amongst our guests, for enhanced seamless connectivity between the ASEAN region and India.

"Both Bengaluru and Singapore are popular destinations for information technology, tourism, trade and investment, therefore it was only logical for Jet Airways' to facilitate the same for the Indian traveller," he added.

BILATERAL

India, Singapore Launch Naval Exercise

Cont from P. 1

The IN, meanwhile, participated with a destroyer, INS *Ranvijay*, embarked with an Alouette III helicopter; a corvette, INS *Kamorta;* a Kilo-class submarine; two Hawk aircraft; and two maritime patrol aircraft.

Colonel Aaron Beng, RSN commanding officer of the 185 Squadron who was in India to visit the Eastern Naval Command, said that SIMBEX 2016 would reinforce the strong and longstanding defense ties between the two navies, which also interact through other activities such as exchange programs, staff talks, and training courses.

"This exercise will strengthen the strong and long-standing bonds between our two navies, enhancing interoperability as well as mutual understanding and trust between our sailors," he said, according to MINDEF.

SIMBEX is just one part of a growing defense

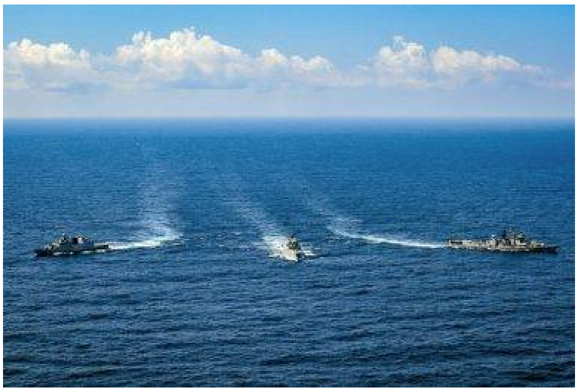


Image Credit: MINDEF

relationship between India and Singapore. In June, the two countries held their first ever defense ministers' dialogue ahead of the Shangri-La Dialogue, Asia's premier security forum, which is annually held in Singapore. As I detailed then, the dialogue was part of a revised Defense Cooperation Agreement (DCA) inked as they commemorated the 50th anniversary of their defense relationship during the visit of Prime Minister Narendra Modi last November .

The DCA – an upgraded version of the one inked in 2003 –also included deeper cooperation on maritime security and further collaboration between their defense industries.

Ministry of External Affairs
Government of India

प्रवासी भारतीय दिवस
PRAVASI BHARATIYA DIVAS
7–9 जनवरी 2017 – बेंगलुरु, कर्नाटक
7-9 January 2017- Bengaluru, Karnataka
प्रवासी भारतीय – संबंधों के नए आयाम
Redefining Engagement with the Indian Diaspora

युवा कार्यक्रम और खेल मंत्रालय
MINISTRY OF
YOUTH AFFAIRS AND SPORTS

14th Pravasi Bharatiya Divas Convention

7 to 9 January 2017, Bengaluru, Karnataka

Ministry of External Affairs and Government of Karnataka invite Non-Resident Indians and Persons of Indian Origin to the 14th Pravasi Bharatiya Divas Convention (PBD) 7 to 9 January 2017, Bengaluru.

Theme: "Redefining Engagement with the Indian Diaspora"

Highlights of the PBD Convention

Youth PBD - 7 January

- Connecting with Young Overseas Indians.
- Inauguration by Smt. Sushma Swaraj, External Affairs Minister and Minister of Youth Affairs and Sports.
- Interact with Young PIOs and NRIs from all across the world.
- Interact with Young Resident Indians.
- Sessions on Start-ups Innovations which have social impact; and Start-up Ecosystem in Karnataka.

PBD Convention - 8-9 January

- Sessions on issues of significance to Indian Diaspora.
- Key note Address by Prime Minister.
- Chief Ministers will address delegates.
- President will confer Pravasi Bharatiya Samman Awards.
- Interactive Sessions with Overseas Indians.

Key Features of Convention

- Exhibition Showcasing Flagship Programmes, policies; corporate sectors.
- Special Sessions 7 & 10 January: Karnataka's investment potential & Start-up Ecosystem.
- Lunch and Dinner arranged for delegates.
- Indian Handicrafts and Cultural Bazaar.
- Optional: Industrial Visits on 7 &10 January organized by Karnataka Govt.
- Optional: Local Sight Seeing tours organized by Karnataka Tourism on payment.
- Cultural programmes on 7 & 8 January evening.

For Programme and Registration visit: pbdindia.gov.in
Last Date for Registration : 7 December 2016
Special Rates for Young PIOs and NRIs and Group Registrations

In India's Growth Story, You Write the Next Chapter

IDF
India Development Foundation of Overseas Indians

The India Development Foundation of Overseas Indians (IDF-OI) is a not-for-profit Trust established by Government of India which enables Overseas Indians to contribute to social and development projects in India. The Trust is exempt from the provisions of Foreign Contribution Regulation Act, 2010
The Trust is chaired by Smt. Sushma Swaraj, Hon'ble Minister of External Affairs. Other Board members are prominent Overseas Indians, Eminent Resident Indians and Senior Government of India officials.

Inviting Overseas Indians to Contribute to:

- *Swachh Bharat Mission*
- *Clean Ganga Mission*
- *State Govt Projects*

How We Work

Submission of Projects by Nodal Organisations to IDF-OI

Assessment & Selection of Projects by IDF-OI

Selection of a Project by Overseas Indian

Contributions made by NRI/PIO

Regular Monitoring & Feedback to Contributors by Implementing Agency

Project Completion & Utilisation Report to Contributor by IDF-OI

"Although, the Indian Diaspora is a very heterogeneous group, there is a common factor which binds them-their desire to maintain their connection with their homeland and to contribute to the social and development efforts in India. We are seeking to strengthen and deepen our relationship through IDF-OI."

Smt. Sushma Swaraj
Hon'ble Minister of External Affairs &
Chairperson, IDF-OI

Contribute to Projects in
Education, Sanitation, Women's Empowerment, Healthcare, and Sustainable Livelihood

Projects available in
Punjab, Kerala, Karnataka, Rajasthan, Madhya Pradesh, Maharashtra, West Bengal, Chhattisgarh, Uttarakhand, Mizoram, Sikkim, Bihar, Tamil Nadu, and Odisha

Engage With Us

- You can Fund One Unit or Several Units of any Project as an individual or as an association.
- IDF-OI does not charge any Administrative Cost from Contributions Received.
- Detailed Project Information: www.idfoi.org

Send your Contribution to
'India Development Foundation of Overseas Indians'
State Bank of India,
Central Secretariat Branch,
North Block, New Delhi 110001
A/C no. 33819721882;
IFSC code SBIN0000625;
MICR 110002014

India Development Foundation of Overseas Indians
927, Ministry of External Affairs, Akbar Bhawan, Satya Marg, Chanakyapuri, New Delhi- 110021
Website: www.idfoi.org Contact: +91 11 26881052/24676210; Email: ceo.idf@mea.gov.in

FORTHCOMING EVENTS >>>> *INDIA*

I. 58th India International Garment Fair

Date: 18-20 January, 2017

Venue: New Delhi

Organizer: Apparel Export Promotion Council of India (AEPC)

Details: The Apparel Export Promotion Council of India (AEPC), an apex body for the promotion and facilitation of garment manufacturing and their exports is organizing the 58th edition of **'India International Garment Fair' from 18-20 January, 2017, at Pragati Maidan, New Delhi.** For further details on this and registration please refer to their website http://www.indiaapparelfair.com/

II. Bio Asia

Date: 6-8 February, 2017

Venue: Hyderabad International Convention Center (HICC) , Hyderabad

Organizer: The Federation of Asian Biotech Associations [FABA] & Government of Telangana

Contact : www.2017.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 1800 delegates and 2000 visitors from over 50 Countries every year.

III. INDIASOFT 2017

Date: 13-14 March, 2017

Venue: Hyderabad

Organizer: Electronics and Computer Software Export Promotion Council (ESC) under the sponsorship of Government of India

Contact : www.indiasoft.org

Details: There will be around 250 Indian IT companies including few Start Ups displaying a world of innovations in various verticals of IT including Software Development, Software products Embedded Systems, Information Security, Web & Mobile, Cloud Computing, IoT/ M2M, etc. In this regard the Export Promotion Council would like to invite an IT delegation from Singapore to participate in the event. The Council will provide a complimentary (to and fro economy class air ticket) to the selected overseas delegates attending the event (one delegate per company), if they have not availed the travel assistance in the past and are genuine IT importers seeking partnerships with Indian Companies. Further, the Council will also extend local hospitality to the selected registered delegates on complimentary basis. A registration fee of USD 230 per delegate shall apply in case of selected delegates and needs to be paid online / wire transfer to ESC.

Notifications

Securities and Exchange Board of India

Investments by FPIs in REITs, InvIts, AIFs and corporate bonds under default

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1458041859179.pdf

Investments by FPIs in Government securities

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1459256641568.pdf

Ministry of Corporate Affairs

Companies (Incorporation) Third Amendment Rules, 2016

http://www.mca.gov.in/Ministry/pdf/CompaniesThridAmendementRules_28072016.pdf

Reserve Bank of India

Withdrawal of Legal Tender Character of the existing Bank Notes in the denominations of Rs 500/- and Rs 1000/-

https://rbi.org.in/Scripts/FAQView.aspx?Id=119

Establishment of Branch Office (BO)/ Liaison Office (LO)/ Project Office (PO) in India by foreign entities - procedural guidelines

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10398&Mode=0

Foreign Exchange Management (Manner of Receipt and Payment) Regulations, 2016

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10392&Mode=0

Foreign Exchange Management (Remittance of Assets) Regulations, 2016

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10371&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 aiming for world record, planning to put 83 satellites on single rocket

The India Express

Indian space agency ISRO is aiming for a world record by putting into orbit 83 satellites — two Indian and 81 foreign — on a single rocket in early 2017, a top official of Antrix Corporation said. He said the company's order book stands at Rs 500 crore while negotiations are on for launch order for another Rs 500 crore.

"During the first quarter of 2017 we plan to launch a single rocket carrying 83 satellites. Most foreign satellites are nano satellites," Rakesh Sasibhushan, Chairman-cum-Managing Director of Antrix Corporation told IANS.

Antrix Corporation is the commercial arm of Indian Space Research Organisation (ISRO).

He said all the 83 satellites will be put in a single orbit and hence there will not be any switching off and on of the rocket.

The major challenge for the proposed mission is to hold the rocket in the same orbit till all the satellites are ejected.

He said ISRO will use its Polar Satellite Launch Vehicle XL (PSLV-XL) rocket variant for the record launch. For ISRO, launch of multiple satellites at one go is not a new thing as it has done it several times in the past.

FAQs on Foreign Investments In India

The fortnightly FAQs will broadly cover the following areas

- ***I. Foreign Direct Investment***
- ***II. Foreign Technology Collaboration Agreement***
- ***III. Foreign Portfolio Investment***
- ***IV. Investment in Government Securities and Corporate debt***
- ***V. Foreign Venture Capital Investment***
- ***VI. Investment by QFIs***

I. Foreign Direct Investment

Q. What are the guidelines for transfer of existing shares from non-residents to residents or residents to non-residents?

Ans. The term 'transfer' is defined under FEMA as including "sale, purchase, acquisition, mortgage, pledge, gift, loan or any other form of transfer of right, possession or lien" {Section 2 (ze) of FEMA, 1999}.

The following share transfers are allowed without the prior approval of the Reserve Bank of India

B. Transfer of shares from Resident to Non Resident:

i) where the transfer of shares requires the prior approval of the FIPB as per the extant FDI policy provided that :

a) the requisite approval of the FIPB has been obtained; and

b) the transfer of share adheres with the pricing guidelines and documentation requirements as specified by the Reserve Bank of India from time to time.

ii) where SEBI (SAST) guidelines are attracted subject to the adherence with the pricing guidelines and documentation requirements as specified by Reserve Bank of India from time to time.

iii) where the pricing guidelines under the Foreign Exchange Management Act (FEMA), 1999 are not met provided that:-

The resultant FDI is in compliance with the extant FDI policy and FEMA regulations in terms of sectoral caps, conditionalities (such as minimum capitalization, etc.), reporting requirements, documentation etc.;

To be continued...

Source: RBI

For Feedback & Comments, please contact:
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31 Grange Road, Singapore- 239702.
Email : ma@hcisingapore.org ; com.singapore@mea.gov.in
URL : www.hcisingapore.gov.in