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India Focus

this issue

BILATERAL

International Day of Yoga celebrated in Singapore

The High Commission of India organized the Yoga Day at 50 centres across the country. The centres ranged from Changi International Airport, iconic malls, workers dormitories, gardens to Schools, Polytechnics, Universities and Community Centres and at the High Commission.

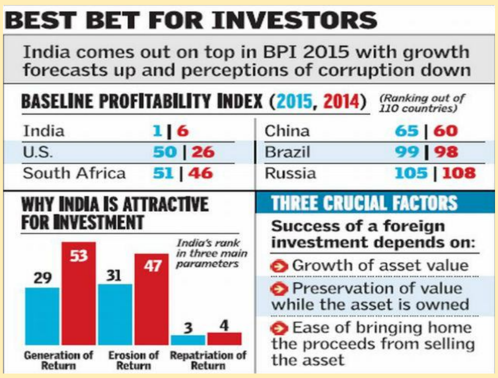
The participation was overwhelming with over 4000 people participating at the various centres with all centres having participation beyond the registered capacity. Minister in Prime Minister's Office, Ms. Grace Fu, along with local MPs, schoolchildren, professionals, migrant workers, members of the diplomatic corps, Indian community, senior executives from business and other organizations and Singaporeans from all walks of life took part in the International Day of Yoga. ***Cont on P. 18***

TOP NEWS

India ranked best for investment

The Hindu, New Delhi, June 27, 2015

In the profitability index, the country is way ahead of China, U.S. In the 2014 index, India was at the sixth position.



A ranking of destinations for attractiveness to foreign investors has placed India at the top among 110 countries. China has secured the 65th position and the U.S. is at the 50th. In the 2014 index, India was at the sixth position and Hong Kong was number one.

The ranking is based on an index for baseline profitability that assumes that three factors affect the ultimate success of a foreign investment: how much the value of an asset grows; the preservation of that value while the asset is owned; and the ease of repatriation of proceeds from selling the asset. The index combines measures for each of these factors into a summary statistic that conveys a country's basic attractiveness for investment. ***Cont on P. 7***

FDI inflows soar 112% in April to $3.6 billion; Singapore is the top investing country

ET Bureau | 22 Jun, 2015, 11.48AM IST

Foreign direct investment inflows into India surged 112% in April to $3.6 billion from $1.7 billion in the year-ago period. The increase was 71% over the inflows in the previous month. The Department of Industrial Policy and Promotion (DIPP) secretary Amitabh Kant told ET that he is confident that the country will receive record capital flows in the current fiscal owing to the slew of measures being undertaken by the government to make India an easier place to do business. In absolute terms, April saw the second highest FDI inflows in the last one-and -a -half years, with only January posting a higher figure of $4.4 billion, which was 109% more than that in January 2014.

"The April FDI number is very encouraging. We are confident that the inflows will only go up in the coming few months, with more measures expected to ***Cont on P. 6***

PM launches 3 mega schemes, pitches for FDI in urban devt

June 25 2015 , The Sangai Express / Press Trust of India

Prime Minister Narendra Modi today pitched for maximum FDI in urban infrastructure and involvement of private players in this sector as he launched three ambitious programmes for provision of housing for all and development of 600 cities, 100 of them as 'smart cities' .

He said the Government will protect the interests of home-buyers through a bill which is in Parliament as he asserted that private property developers should not decide how a city should grow and the decision should be taken by residents and the city leadership.

He was speaking while launching the Smart Cities Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Housing for All (Urban) schemes here.

"These initiatives mark a paradigm shift, providing a people-centric approach to create world class urban spaces," Modi said.

Rapid urbanisation should be viewed as an opportunity and urban centres should be viewed as growth engines, he said, while underlining that the Government will not leave the poor people to their "fate" .

"The PPP (Public-Private-Partnership) model has come to be accepted today.

We should think how to strengthen it. We should think how to bring maximum Foreign Direct Investment for urban infrastructure.

We should think how to attract more and more overseas funds and change the situation in the stipulated period," he told a gathering which included some Chief Ministers and mayors and chairpersons of urban bodies.

The 100 Smart Cities are proposed to be built through a competitive mechanism on the basis of demand from the residents and municipalities instead of the Central Government "imposing" it, the Prime Minister said.

"Selection will be made through competition. Only those who fulfill the criteria will find entry into the competition.

Final selection will be made after second exam," he said, adding once a city is selected, the Centre and the State will together work for making it a 'Smart City' .

The programme, conceived after extensive consultations, will involve use of best practices from across the world.

Giving a glimpse of a proposed smart city, he said it will have provisions like technology, energy efficiency, efficient transportation, 'walk-to-work' and cycling etc.

Under the AMRUT programme, 500 cities will be rejuvenated over five years while the 'Housing for All' scheme will involve construction of two crore affordable houses for urban poor by 2022, when the country celebrates 75th year of Independence.

Talking about the three schemes, the Prime Minister said if any "legal obstacles" come in the way of implementation, those would be taken care of.

Also, financial issues will be jointly addressed by the Centre, States and local bodies by creating a model so that projects do not get stuck because of want of funds, he said.

The central grants for these three projects will be around Rs 4 lakh crore Rs 3 lakh crore for housing and about one lakh crore for the other two schemes.

"Under these schemes we can go ahead and we can do it together (Centre and State). India is rapidly urbanising. Every year Hindustan gives birth to a small country," he said.

Apparently targeting the previous Governments, Modi said it would have been better if urbanisation had been taken as an opportunity 25-30 years back and viewed as "growth engines" and "driving source for economy" .

"Anyway, it is better late than never. If we crib about why it did not happen earlier, then things won't work.

Earlier experiences are very bad. I know it. But there is no need to be disappointed over it," he said.

Referring to housing problem, he said owning a house is a dream for every poor person. "Our effort is not only to give a homeless a house but also to give him hope to live," he said.

Hitting out at private developers, Modi said they "know in which direction the city will expand. So they acquire land there and construct houses there without any basic amenities.

There will be no roads, no power or drainage system there.

It is because the urban leadership has not developed the cities but some property dealers have developed them.

We have to change this mismatch" .

Referring to Smart City, Modi said, "For the first time in India, a challenge was being floated, in which the citizens of urban India could contribute in the formulation of development visions of their cities.

"The competitive mechanism would end the top-down approach and lead to people-centric urban development," he said.

Stressing that all schemes for urban development should move forward based on people's participation, he said, "There is a lack of holistic vision about urban planning, and expansion is driven not by the administrators of a city, but by property developers.

Make in India and Digital India: Nasscom, IESA sign pact to push IT, electronics manufacturing's share to 25% of GDP

***Economic Times**: June 16, 2015*

New Delhi: The government has approved 21 electronic clusters, telecom minister Ravi Shankar Prasad said on Monday.

"We have given in-principle approval to 21 electronic clusters and electronic manufacturing is priority area for us," Prasad said.

The minister was speaking at the occasion of the software lobby group Nasscom and the India Electronics and Semiconductor Association (IESA) signing a memorandum of understanding to jointly work to boost the government's Make in India and Digital India initiatives.

Through this partnership, the two industry groups are aiming for IT and electronic system design and manufacturing (ESDM) to contribute 25% to the country's GDP by 2025 that propel India into the world's top five economies.

Prasad said the government has so far received investment proposals worth Rs 65,000 crore while it has approved proposals worth Rs 9,000 crore under the modified special incentive package scheme or MSIPS programme, which aims to promote large-scale manufacturing in electronic system design and manufacturing. Under the MSIPS programme, a subsidy of 20% in capital expenditure is given to companies for investment in SEZs and 25% in non-SEZs.

In the past one year, telecom sector has emerged as the largest contributor to foreign direct investment in India, Prasad said, adding that the government has taken many initiatives to spur growth. Manufacturing, he said, is crucial as it drives economic growth and revenue for the country. India's mobile penetration is expected to cross the one billion mark, but it is unfortunate that the country depends largely on imported devices, according to him.

Centre to allow FDI in arms manufacture

New Delhi, June 27, 2015, DHNS:

As part of the “Make In India” initiative, the Centre is now planning to open up arms and ammunition manufacturing sector, dominated by government ordinance factories, to foreign investors. A Ministry of Home Affairs (MHA) proposal suggested that the opening up the manufacturing of arms and ammunition sector is also important to encourage foreign firms to transfer state of the art technology and set up their plants in India. At present, state run ordinance factories have monopoly over manufacturing of arms and ammunition in the country and private participation is very insignificant. Ordinance factories, however, are unable to meet the demand of arms due to its production constrains.

The latest proposal, which is in the process of being vetted by Department of Industrial Promotion and Policy (DIPP), also stated that by bringing FDI in the sector through Make in India initiatives, the country should eye for positioning itself as global leader in arms and ammunition manufacturing world.

To pave the way for the proposal, the MHA is seeking to change the 56-year-old Arms Act. The Arms Amendment Bill, will also streamline the system of getting arms licences. The MHA proposal says allowing foreign firms to set up plants on technology transfer basis will not only help armed forces, paramilitary and police to acquire latest weapons but also help to create jobs in the country. As per plan, modernising existing ordinance factories by installing latest technology, producing arms and ammunition for local and global market, allowing private sector to produce arms and permit them to export the products.

GDP to grow 8% in FY16; hit $3 trn mark in 5 years: Panagariya

IBEF: June 30, 2015

New Delhi: According to NITI Aayog Vice Chairman Mr Arvind Panagariya, India's growth rate is expected to reach eight per cent in the current year and to cross the US$ 3 trillion mark in less than five years. The Indian economy, currently the third largest economy in Asia with a current size of US$ 2 trillion, grew 7.3 per cent in 2014-15. Led by special initiatives like Make in India, India is expected to capture bigger share of global exports and boost its manufacturing sector growth. Mr Arvind Panagariya was optimistic about India's economic growth despite a sluggish global economy.

Road sector will see investments of over Rs1 trillion this fiscal: Vijay Chhibber

***Livemint**: June 24, 2015*

New Delhi: Although reviving investments in the roads sector is a priority for the National Democratic Alliance government, private investors are still cautious. However, according to road secretary Vijay Chhibber, prospects for private participation are bright because of the proposed hybrid annuity model, which provides fiscal support from the government and takes away the traffic risk from the investor. The ministry has set a target of awarding road projects of 1,000km per month that could lead to over Rs1 trillion in investments, Chhibber said. He also assured that any change in toll policy will take care of stakeholders' concerns and provide for compensation in a transparent manner. Edited excerpts from an interview:

While the ministry has been able to improve its project awards in the last fiscal year, private participation in terms of investment continues to be low. The government-funded model is not sustainable in the long run. How are you planning to change this?
The roads ministry has awarded 8,000km of national highways (NH) in the financial year 2014-15. Though only about 700km were awarded on BOT (build, operate and transfer) model last year, with the right policy interventions in this fiscal (2015-16), we believe that private investment will soon return to this sector. Already, we have received bids for eight road projects under BOT (toll) for around 885km of NH with total project cost of Rs11,600 crore.

In the new financial year, you are looking to award 10,000km of road projects. How much investment do you see in the road sector in the year?
This year, we hope to award a substantial number of roads on BOT (toll) and hybrid annuity models. We have finalized our MCA (model concession agreement) and RFP (request for proposal) document for hybrid annuity and around 20 projects would be rolled out by the end of this month for an aggregate length of around 1,260km. We have a target of awarding about 1,000km per month. The above would entail a spend of around Rs1.1 lakh crore in financial year 2015-16 to provide impetus to the infrastructure sector in general and the road construction industry in particular.

The other major worry that the sector has—and is seen as an important reason making investors unsure about investing in road projects—are statements by the road minister on the discontinuing of toll collections from certain projects. Given that toll is the main source of revenue based on which the private sector makes investment, lack of clarity and signs of tinkering with the toll policy in the future have developers and investors worried. Will the road ministry make its stand clear on the toll policy?
The toll policy shall continue as it earns substantial revenue for the ministry and the financing plan for future development of the National Highways Development Project factors toll plough-back as a source of budgetary support for highway development. The system of electronic toll collection across all operational toll plazas (around 300) of the country is in progress and has already been completed

in 196 toll plazas. This will help commuters to pay toll in a hassle-free manner. However, no policy prescription is cast in stone and can be dynamic. Notwithstanding that, I can only assure that any change in the extant toll policy will be made after due consultations with all stakeholders, and any adverse impact on account of change in policy will be fully compensated in a transparent and time-bound manner.

At what stage is the proposed Bharat Mala project? Is this project your priority?

We envisage the development of the Bharat Mala project comprising an estimated 5,500km of highway length with an investment in excess of over Rs55,000 crore all along borders and coastal areas, stretching from the north-east part of India till western India. Apart from providing connectivity to the ports under the Sagar Mala project, this project will provide seamless connectivity along the borders with Nepal, Bangladesh, China, Pakistan and Bhutan, which is crucial for strategic reasons. This is a priority programme and we will shortly be seeking formal approval from the government.

In anticipation, the detailed project reports are in progress.

The issue of reviving bank lending continues to be a challenge given the bad loans most banks have on their books from lending to this sector. Any measures being taken to address this?

We have built in enough clauses to increase the comfort level of the lenders in the MCA for BOT (toll), which will be amended shortly. The banks are expected to do due diligence when they lend money to developers.

What new measures or models are under consideration to improve investments in the sector? Sale of tolling rights for completed road projects and new models such as the Swiss Challenge are being spoken about.

We are in the process of finalizing the modalities to hive off completed highway projects which have been built on EPC (engineering, procurement and construction) mode with defect liability period (DLP) and without DLP. This will help to raise funds for new highway development. It will create a new business vertical for those players who are interested in operations and maintenance of the roads with tolling rights over, say, a 20-year tenor. This tolling-operations-transfer model is in advance stages of conceptualization. You will come to know of it soon.

Swiss Challenge is usually a mode of delivery for new projects. In India, it is still new. It is based on the premise that a developer who has core competence in a particular field will come and prepare a detailed project report (DPR) for a project, which will then be bid out by the government. The first right of refusal to do the project shall lie with the developer who made the DPR. This method can be tried for developing expressways, where superior technology for road-building can be showcased.

There is also a concern that somewhere in its bid to bring private investors back, the government may be bending back too much and taking most of the risk away from the private sector. How will you make sure that it remains a balanced reallocation?

The government is playing a supportive role to encourage private participation in highway development by reallocation of risk. There is no question of bending in anyone's favour. It is always imperative to design concession agreements with the underlying objective to realign the revenue streams of the project with debt repayment stream.

The more there is a mismatch in this scheme; the brunt shall have to be borne by the authorities or financial institutions. The ministry is laying a lot of emphasis on project preparation and ensuring that LA (land acquisition) and statutory clearances are given to the private developers on time. Moreover, we would prefer to have a healthy mix of different modes of delivery of projects, depending on traffic, location and various other factors. The over-dependence on any one mode, say, BOT (toll), as in the recent past, has not been useful, particularly in times of economic stress. Learning from our past experiences, we intend to have a healthy mix of government and private-funded projects. This should be the way forward.

India leads FDI in South Asia with 34 billion investment in 2014: Report

By PTI | 25 Jun, 2015, 12.03AM IST

India leads regional inflow of Foreign Direct Investment (FDI) in South Asia accounting for $ 34 billion investment during 2014 and the upward trend is likely to continue this year also, according to a UN report which placed China as the world's largest FDI recipient.

"FDI inflows to the country (India) surged by 22 per cent to about $ 34 billion" improving its position to 9th top host country for FDI in 2014, over its rank of 15th in 2013, the UNCTAD's World Investment Report 2015 says.

India is likely to maintain an upward trend in 2015 as economy recovery gains ground, the report adds.

FDI inflows to South Asia rose to $ 41 billion in 2014, primarily owing to good performance by India, it says.

"In terms of the sectoral composition of FDI flows, manufacturing is likely to gain strength, as policy efforts to revitalise the industrial sector are sustained, including, for instance, the 'Make in India' initiative launched in mid-2014," the report says.

The top five recipients in South Asia of FDI inflows were India, followed by Iran, Pakistan and Bangladesh ($ 2 billion each) and Sri Lanka ($ 1 billion).

In the UN report, Asia is divided into three sub-regions: East and South East Asia, West Asia and South Asia. According to the report, China became the world's largest recipient of FDI ($ 129 billion) toppling the US ($ 92 billion). However, "global FDI inflows fell by 16 per cent to $ 1.23 trillion in 2014, mostly because of the fragility of the global economy, policy uncertainty for investors and elevated geopolitical risks and new investments were also offset by some large divestments," it says.

The groups of countries negotiating the Transatlantic Trade and Investment Partnership and Trans-Pacific Partnership saw their combined share of global FDI inflows decline.

Asia overall bucked the global trend with historically high levels of inward FDI to developing economies at $ 681 billion marking a 2 per cent rise.

Among the top 10 FDI recipients in the world, five are developing economies.

India was also the biggest investor in outward FDI in South Asia with $ 9.8 billion marking an increase of 486 per cent over 2013. However, India does not figure in the first top 20 countries for FDI outflows. "There was an abnormal decrease (in outward FDI investment in India) in 2013 because of macro economic uncertainties when some of the Indian MNCs divested. The figures are now back on track but still lower than figures (of outward FDI investment) in 2009, 2010 and 2011," said Guoyong Liang, UNCTAD Asia head of the Investment Division.

The US had the largest outward flow of FDI ($ 337 billion) followed by Hong Kong-China ($ 142 billion) and China ($ 116 billion).

FDI inflows soar 112% in April to $3.6 billion; Singapore is the top investing country.. *Cont from P. 1*

expected to improve business environment in the country," said Kant.

Prime Minister Narendra Modi's thrust to boost domestic manufacturing was visible as the sector posted a 142% growth ($1.06 billion) in FDI while the inflows in the nonmanufacturing sector went up 93% ($2.05 billion).

The data released by the Central Statistics Office released last week showed that industrial activity picked up in April, posting a better than expected 4.1% growth, higher than 2.5% expansion in the previous month,indicating the gradual pickup in manufacturing. The automobile industry was the second highest FDI attractor after the computer software and hardware industry, with 18% increase to $0.65 billion. Construction and infrastructure sector saw 7% growth in FDI at $0.2 billion during the month.

Singapore was the top investing country in April, followed by Mauritius, United States, the Netherlands and Germany, all of which together accounted for India about 85% of the total inflows.

In the past few months, the government has liberalised the FDI regime in sectors including medical devices, construction, railways, defence and insurance. Since the beginning of 2015, FDI has grown 43%, with inflows of about $13 billion. In 2014-15 India saw 27% growth in FDI inflows over the previous year. Last month, the Cabinet allowed non-repatriable investments by non-resident Indians to be considered on a par with domestic funding, to encourage capital inflows in manufacturing and infrastructure.

Mumbai, Bengaluru, New Delhi, Chennai and Ahmedabad were the top five cities, accounting for about 90% of total inflows. The 'Make in India' campaign, launched in September 2014, aims to promote domestic production and increase the share of manufacturing to 25% of GDP by 2022 from 17% at present.

India slipped two spots to 142 in the World Bank's ease of doing business ranking in 2015 out of 189 countries, but the government is trying to dramatically improve the country's ranking to the top 50 in the next few years.

The government's efforts to enhance ease of doing business in the past few months include withdrawal of requirement of minimum paid-up capital and common seal for companies, allowing single step incorporation of companies through the INC-29 form and integration of 14 government services on an online single window portal called eBiz.

Besides, it has made cross-border trade easier by cutting the number of forms for export and import to three from seven and nine respectively. Department of Industrial Policy and Promotion will come out with the ease of doing business rankings for the states in the next two months. It will rank states on seven different parameters, including setting up of a business, allotment of land and obtaining construction permit, complying with labour regulations and environment proedures, and obtaining infrastructure related utilities.

India ranked best for investment..

Cont from P. 1

Investment guidance

"Where exactly should they [investors] put their money? The Baseline Profitability Index (BPI) is back for its third year with some answers, and Narendra Modi's India is the place to start," wrote Daniel Altman, creator of the index and an Adjunct Professor at New York University's Stern School of Business, in the *Foreign Policy* magazine.

"...economic growth alone doesn't determine the returns to investing abroad; you have to worry about things like financial stability, physical security, corruption, expropriation by government, exploitation by local partners, capital controls, and exchange rates as well. Putting all of these factors together gives a better idea of how big the return will be when it finally reaches your pocket," he wrote.

The big story in the BPI in 2015 is "India coming out on top, with growth forecasts up, perceptions of corruption down, and investors better protected following the election of a government led by Prime Minister Narendra Modi."

High returns

A high ranking indicates high returns and improving economic institutions. The index, thus, compares how local policies and conditions affect the same investment in different countries. Or how the value of the principal and the return will change depending only on where the investment is made.

Local factors can erode profits. These include payment of bribes and kickbacks, the risk of which is compared across countries using the Transparency International's Corruption Perceptions Index, a measure for the perceived levels of public-sector corruption worldwide. In 2014, the country was at the 85th position out of 175 countries as compared to its ranking of 94 out of 177 in 2013.

World Bank index

BPI calculation also uses an index of investor protection compiled by the World Bank. In 2014, the average BPI score across all countries was 0.99; this year it is 1.03 — meaning the expected returns over the next five years are about three-quarters of a per cent higher a year. The calculation of the BPI is an imperfect exercise

fraught with assumptions, Mr. Altman says.
"For example, how does a survey about perceptions of corruption translate into likelihoods of having to pay bribes, and how big might those bribes be?" he wrote when he first introduced the index.

Lower rank in Corruption Index helped India

India came first in the Baseline Profitability Index helped by its improved ranking in the Transparency International's Corruption Perception Index — in 2014, the country was at the 85th position out of 175 countries as compared to its ranking of 94 out of 177 countries in 2013.
The calculation of the BPI is an imperfect exercise fraught with assumptions, Daniel Altman, its creator, says. "For example, how does a survey about perceptions of corruption translate into likelihoods of having to pay bribes, and how big might those bribes be?" he wrote when he first introduced the index.
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Inflation in negative zone for seventh month

PTI

Easing prices of fuel, food items and manufactured goods kept inflation in the negative zone for the seventh consecutive month in May, although prices fell at a slower rate of (-)2.36 per cent as against the previous month.
The Wholesale Price Index (WPI) based inflation was (-)2.65 per cent in April. It has been in the negative zone since November 2014. Inflation in May last year was 6.18 per cent.
The lower inflation comes amid a forecast of deficient monsoon this year.
As per the government data released on Monday, vegetable inflation was (-)5.5 per cent, with potato recording a dip of about 52 per cent.
Overall food inflation was 3.8 per cent, much lower than the previous few months.
Similarly, the May inflation in manufactured items (food products, sugar, edible oils, beverages, etc) declined by 0.64 per cent, lowest in past many months.
Inflation in fuel and power basket was at (-)10.51 per cent on annual basis, though slightly up from April. Retail inflation in May, as measured on Consumer Price Index (CPI), was 5.01 per cent, marginally up from the previous month.

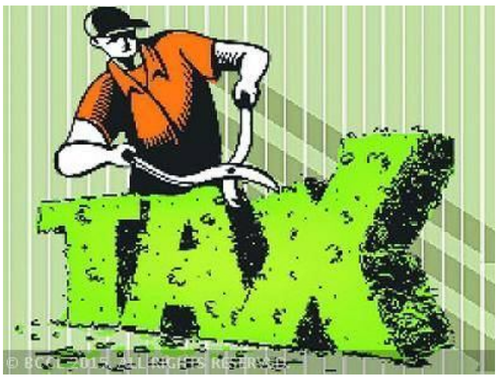
Govt okays 16 FDI proposals worth Rs 6,751 crore

PTI | Jun 17, 2015, 07.37PM IST

The government on Wednesday approved 16 foreign investment proposals, including those of Torrent Pharmaceuticals and Star India Private Limited, amounting to Rs 6,750.86 crore. "Based on the recommendations of Foreign Investment Promotion Board (FIPB)... Government has approved 16 proposals of Foreign Direct Investment (FDI) amounting to Rs 6,750.86 crore," Finance ministry said in a statement. The proposals were cleared during the FIPB meeting held on May 28, it added.
The government has approved Torrent Pharmaceuticals' proposal for increasing FII investment from 13.09 per cent to 35 per cent. While, Syngene International has been allowed to raise foreign investment to 44 per cent from 10 per cent by initial public offering of equity shares to FIIs, FPIs and NRIs.
Broadcaster Star India Private Limited has been given approval for further issuance and transfer of shares to its foreign collaborator and acquisition of another Indian company engaged in broadcasting sector on a slump sale basis. Among others, FDI proposals of Stericat Gut Strings Pvt Ltd, BASF Chemicals India Private Ltd, Ordain Health Care Global, Mumbai-based TRIF Kochi Projects, TRIF Real Estate and Development Ltd, Berggruen Real Estates and Today Magazines Lifestyle, were also approved.

Finance Ministry sets up two panels for roll out of GST from April 2016

PTI Jun 18, 2015, 01.04AM IST



Gearing up to roll out GST from April 1, 2016, the Finance Ministry today set up two committees to suggest tax rates and look into IT preparedness for the new indirect tax regime.

Committee formed under the Finance Ministry's Chief Economic Advisor would "recommend possible tax rates under GST that would be consistent with the present level of revenue collection of Centre and states," a statement said.

While making recommendations, it would take into account expected levels of growth of economy, different levels of compliance and broadening of tax base under Goods and Services Tax (GST), Finance Ministry in a statement said.

"The Committee would also analyse the sector-wise and state-wise impact of GST on the economy. The Committee is expected to give its report within two months," it said.

The statement added, Steering Committee has been formed under the Co-Chairmanship of Additional Secretary of Revenue Department and Member Secretary of Empowered Committee (EC) of State Finance Ministers. The panel has members from Revenue Department, Central Board of Excise and Customs, Goods and Services Tax Network (GSTN) and representatives of state governments. It would monitor the progress of IT preparedness of GSTN/CBEC/Tax authorities, finalisation of reports of all the sub-committees on different aspects relating to the mechanics of GST and drafting of CGST, IGST and SGST laws/rules.

Also, the Committee would monitor the progress on consultations with various stakeholders like trade and industry and training of officers.

The committee were announced a day after Chairman of EC K M Mani submitted states' views on the GST to the Rajya Sabha Select Committee scrutinising the GST bill.

The Finance Ministry further said progress is underway to finalise various aspects of GST design like business processes and payment systems and also making of model GST, SGST and IGST laws and rules. "This task is being undertaken through various Sub-Committees formed by the Empowered Committee which has officers from Government of India as well as State Governments as Members," it added. Goods and Services Tax Network (GSTN) is taking steps for preparing the IT infrastructure for roll out of GST, it said and added the IT infrastructure would enable online registration, filing of returns and getting refunds. Various State Governments are also preparing the necessary backend IT infrastructure for implementation of GST which would relate to aspects like assessments and audit.

BANKING/FINANCE

India's new rules on debt restructuring are credit positive for banks, Moody's says

TNN | Jun 17, 2015, 01.16PM IST

The new guidelines introduced by the Reserve Bank of India (RBI) for the restructuring of corporate loans are credit positive for banks, Moody's Investors Service has said.

The guidelines have the potential to significantly improve the ability of Indian banks to resolve troubled corporate loan exposures, it said.

Although all banks will benefit from these changes, the guidelines will be particularly beneficial for those with large corporate exposures, including State Bank of India (Baa3 positive, ba1) and IDBI Bank (Baa3 stable, b1).

"We expect these changes to positively affect banks' corporate loan asset quality. A key objective of these guidelines is to allow banks to acquire majority equity stakes in corporates that are unable to honour their debt commitments," Moody's stated.

Acquiring a majority stake would make it easier for the banks to install new company management. "In India, it has proven difficult for an external party to gain control of a company because existing management has many tools to thwart an external party's efforts," the agency said.

"This has been a key impediment in turning around companies in financial stress," it said.

A loan restructuring package typically contains certain viability milestones and conditions that borrowers must undertake. Under the new rules, if a borrower does not meet these milestones and conditions, a joint lenders' forum, which consists of the banks that are part of the lending group, will have the option to undertake a strategic debt restructuring (SDR).

This would entail the lending group to gain majority control of the company. To ensure that lenders use this mechanism, RBI is mandating that banks include necessary covenants in all loan agreements, including at the time of restructuring, to allow the invocation of SDR in applicable cases. This would include getting necessary approvals and authorisations from the borrower company. "Given that banks are the predominant source of funding to corporates, it is likely that borrowers will have to accept these new stipulations,"

Sebi makes it easier for start-ups to list in India

***Livemint**: June 24, 2015*

Mumbai: India's capital markets regulator announced on Tuesday rules that make it easier for start-ups to list in India, and for investors such as venture capital firms in such start-ups to sell their holdings through initial share sales.

The rules, which have been in the works for a few months, are part of an effort to create a funding regime that reflects the thriving entrepreneurial scene in the country.

The move was welcomed by investors.

"This is a huge step in the right direction for start-ups. One key issue that start-ups face is funding and the relaxation of listing norms by Sebi will go a long way toward solving this. The availability of exit options will increase liquidity in the system which in turn will draw more investors toward India," said Sudhir Sethi, part of iSPIRT List In India expert team and chairman of IDG Ventures India. "Through IPOs (initial public offerings), Indian companies will now not only create value but also keep it in the country."

The Securities and Exchange Board of India (Sebi) announced after a Tuesday board meeting that hi-tech start-ups in areas such as analytics and biotech can list in India on the institutional trading platform (ITP) of exchanges, if at least 25% of their pre-issue capital is held by qualified institutional buyers (QIBs), such as private equity and venture capital firms and non-banking financial companies.

Other start-ups can also opt to get listed on the platform, provided at least 50% of their pre-issue capital is held by QIBs.

Sebi's move is aimed at preventing home-grown entrepreneurs from exploring offshore markets for raising capital and to make it easier for new business ideas to flourish within India. The objective is to also create new opportunities for equity investors to make money by betting on the prospects of new-age companies.

India, which is home to at least 3,100 start-ups, is ranked fifth globally in terms of the combined size of the start-up industry. India trails behind the US, Europe, Canada and China in the space.

"We have got a feedback that most start-ups think of overseas market when it comes to listing. They felt that the regulatory regime for listing of start-ups was not favourable in India. So, we have decided to make it easier," said U.K. Sinha, chairman of Sebi.

On 30 March, Sebi proposed a number of easy listing rules for start-ups on the institutional trading platform (ITP) of stock exchanges.

On Tuesday, the regulator said that for start-ups willing to list on this platform, there will be no cap on the usage of public issue proceeds for general corporate purposes. In conventional IPOs by companies opting to get listed on the main board of exchanges, not more than 25% of the capital raised can be used by a listing company for general corporate purposes.

According to existing rules, there is a lock-in period of three years for (pre-IPO) shareholders holding more than 20% and one year for all other investors. In the case of start-ups, Sebi said the lock-in period will be only six months for all categories of pre-IPO shareholders.

On the special listing platform for start-ups, 75% of the shares will be reserved for such institutional investors. The remaining 25% will be available for non-institutional investors (NIIs), Sebi said.

No person (individually or collectively with people acting in concert) in such a company will be allowed to hold more than 25% of the post-issue share capital in a start-up, it added.

Sebi has also widened the definition of QIBs to include non-banking financial companies and family offices or trusts and other entities that register themselves as alternative investment funds.

Sebi proposed that any investing entity registered with Sebi with a minimum net worth of Rs.500 crore may also be considered as a QIB for investing in shares of start-ups.

The new rules mandate a minimum investment of Rs.10 lakh at the time of the IPO and while trading on the special trading platform.

"Sebi is giving a lot of freedom in terms of pricing, disclosures and usage of funds to start-ups willing to get listed on this platform. Also disclosures in terms of litigations will be decided by the board according to materiality of the litigation," Sinha said.

Sebi has also gone easy on start-ups in terms of disclosure requirements. "As the standard valuation parameters such as price to earnings, earnings per share and so on may not be relevant in case of many of such companies, the basis of issue price may include other disclosures, except projections, as deemed fit by the issuers," the regulator said in its statement. Companies intending to list on the proposed platform will be required to file draft offer documents with Sebi for observations, in line with the general practice.

The regulator said that while filing the draft offer document with Sebi, such firms will only need to disclose broad objectives of a public issue rather than the granular details that are required of regular primary issuances.

The minimum number of allottees in a public offer by a start-up has to be 200, which is lower than Sebi's proposal of 500 investors in the discussion paper.

A start-up getting listed on ITP will have the option to migrate to the main board of a stock exchange after three years, subject to compliance with existing eligibility requirements of stock exchanges.

The new norms for start-ups will come into effect after a gazette notification, which is likely to be put out in the next six weeks, Sinha said on the sidelines of a conference organized by Sebi on Tuesday following the board meeting.

Since December, iSpirt, a lobby group for software product start-ups, has been working with Sebi and three other regulators to change tax rules, listing regulations and other laws to make it easier for product start-ups to operate in India.

Ahead of the budget, iSpirt executives, along with former Infosys finance chief T.V. Mohandas Pai, venture capital firms Accel Partners and IDG Ventures India and 10 product start-ups, including InMobi and Fresh Desk, met Sinha and central bank governor Raghuram Rajan.

Sebi to pave way for foreign participation in commodity derivatives

***Business Standard**: June 23, 2015*

Mumbai: The Securities and Exchange Board of India (Sebi) is working on a framework to facilitate foreign portfolio investor (FPI) participation in the commodities market. The investment of FPIs in commodity derivatives is being facilitated, as the Finance Bill cleared by the Lok Sabha in the recently concluded session included commodity derivatives in the definition of securities.

"The definition of securities under the Sebi Act has been amended to include commodity derivatives as well, that automatically allows FPIs to trade in them," said a source.

The only concern could be raised is by the Reserve Bank of India (RBI) but sources indicate that RBI has already given an in-principle go ahead to the proposal.

"If RBI has a concern then they can issue a circular stating otherwise but there may not be one," said the source.

People privy to the matter indicate that Sebi in the board meeting on Tuesday would discuss the road map for the merger of Forward Markets Commission (FMC), slated for September this year that will kick start a series a reforms for the commodity and securities markets.

The Sebi board is also likely to finalise the norms for for start-up listing where the ticket size of investment could be Rs 5 lakh. The platform would allow investments only by private equity, venture capital investor and the trading in start-ups would be on a separate platform.

The regulator is likely to reduce the minimum application size to halve to Rs 5 lakh from the proposed Rs 10 lakh. Additionally, even the minimum trading lot size could be reduced to Rs 3 lakh from the existing Rs 5 lakh.

The disclosure requirement would not require start-ups to disclose objects of issue if money raised for gross commercial purposes. Basis of issue prize would require disclosures as deemed fit by the issuer, disclosure of litigation depending on its materiality.

"The regulator has collected and analyzed all the public comments and some of them have been accepted by the board," said a source close to the developments.

These aspects were deliberated upon in the recently conducted meeting of the Primary Market Advisory Committee (PMAC).

The board would also finalise the e-IPO norms that would halve the listing time.

In May last year, a five-member committee had said high-cost transactions in commodity futures caused a hindrance to the commodities market. And, suggested this could be reduced if banks and FIIs were allowed to participate in the commodity markets.

BUSINESS

SoftBank, Bharti, Foxconn form JV

http://www.thehindu.com/business/softbank-bharti-foxconn-form-jv/article7343480.ece

The venture will invest $20 b to generate 20 GW of solar power

Japanese telecom and Sunil Mittal's Bharti Enterprise and Taiwan-based manufacturing major

Foxconn Technology, on Monday announced a joint venture, SBG Cleantech, to promote adoption of clean and safe energy in India, which will be investing $20 billion to generate 20 GW (gigawatt) of solar power, billed as one of the biggest foreign direct investment (FDI) projects in the sector.

The JV will be led by SoftBank, while the other two will be minority partners. The equity structure is being worked out.

SoftBank said that driven by 'confidence' in the Narendra Modi-led government, it was doubling its planned investment in India over the next 10 years to $20 billion.

"Prime Minister Narendra Modi asked us to invest not only in Internet space but also consider renewable energy sector. I had promised him, we will study the sector… I met the PM and Energy Minister on Monday and I got enough confidence to make commitment to set up minimum 20 GW of renewable energy," said Masayoshi Son, Chairman & CEO of SoftBank.

"This could be the largest FDI into India. This is an endorsement of confidence in next generation India led by the Modi-government," he added.

The company had, last October, announced investment of $10 billion in India over a 10 year period. In the past nine months, SoftBank has invested nearly $1 billion into Indian e-commerce and technology firms such as Snapdeal, Ola Cabs and Housing.com.

Asked if the investment by SoftBank is in addition to the existing commitment of $10 billion over the next 10 years, its Chairman and CEO replied in the negative.

"We started with $10 billion investment commitment. This is not $20 billion + $10 billion. But it is bigger than our last commitment… Overall investment will exceed $20 billion," he added.

Under the National Solar Mission (NSM), Indian government is targeting solar power generation capacity of 100 GW by 2022. SBG Cleantech intends to participate in the 2015-16 round of solar power plant tenders under the NSM and state-specific solar programmes.

While the proposal is for a ten year period, Kameswara Rao, Leader, Energy, Utilities and Mining, PwC India, said if implemented today, it would equal 50 per cent of India's entire installed renewable capacity of 32,000 MW or it would be the size of entire power generation capacity of Greece or the Philippines.

"India is starting to attract mega investments in renewable energy, thanks to strong central and state policies and has seen successful tender of many large project opportunities," Mr. Rao added.

The Japanese telecom and Internet major SoftBank Corp had in 2011 set up SB Energy Corp to develop clean energy projects following the Fukushima nuclear disaster in Japan. It is working on 20 such projects there.

On the opportunities in India, Mr. Son said, "India has two times more sun time than Japan and the cost of setting solar park here is half of what it is in Japan. Hence, it can become one the largest solar power in the world."

Further, Mr. Son added the company is also in talks with Foxconn to set up a manufacturing capacity in India, in line with the government's Make in India programme.

Temasek to invest $51m in India's Oberoi Realty through preferential share issue

http://www.dealstreetasia.com/stories/temasek-to-invest-51m-in-indias-oberoi-realty-through-preferential-share-issue-8129/

Oberoi Realty, India's second largest realtor by market capitalisation, has raised $51 million in funding from Singapore state fund Temasek Holdings. The investment was routed though Tamesek subsidiary Aranda Investments. Oberoi Realty has proposed to make a preferential allotment of 11 million shares to Temasek, resulting in a 3.2 percent stake.

Since the global financial crisis, most PE deals in the Indian property sector are project-level investments. Most realty PE deals are financed through debt securities with fixed rates of return. A prior investor of Oberoi Realty is Morgan Stanley Real Estate (MSER), the property-focused asset management arm of Morgan Stanley.

Morgan Stanley invested in in Oberoi Realty in 2007, prior to its initial public offering (IPO) in 2010. According to a VCCircle report, MSER holds a 3.2 percent stake after divesting a significant portion of its take in 2014.

Early in June, Oberoi Realty secured board approval to raise $353.4 million through an issue of debentures and equity shares. Oberoi intends to raise up to $235.6 million through non-convertible debentures and equity shares and $117.8 million through any other form of securities.

Singapore-based startup Spini raises first round of funding, sets up base in India

http://wap.business-standard.com/article/companies/singapore-based-startup-spini-raises-first-round-of-funding-sets-up-base-in-india-115062300571_1.html

Singapore-based startup Spini has raised first round funding of Singapore dollar one million from Walden International.

Spini's online marketplace allows sales teams to source leads and to monetise the shared information. The start-up, co-founded by Eddie Chau, Shankar G and Chong-Kian Soh, and is operated by a team spread across Chennai, Bengaluru and Singapore.

"Reaching out to the right customer at the right time to close a deal has always been a huge challenge for every business. Cold calling is long dead and ineffective. Therefore, every salesperson is looking out for new avenues to find out their potential customers. Through Spini, we have a solution which helps sales persons and also empowers ordinary people to make money, said Shankar, co-founder and CEO of Spini. The company is planning to cover more cities and is confident of clocking millions of transactions across India. In the coming years, the India operations and Singapore team will serve as the hub for all developing markets in India and the rest of Asia, the company said.

Spini's application service provides a wide range of features, including quality checks, anonymity, private chat facility, easy to use payment process and the reverse auction- based bidding that helps users to monetise information and connections.

"Knowledge is passé as anyone can Google anything! Real time Information is definitely the king now. At Spini, we are spinning a brand new career path that is driven by self-empowerment in life and is empowering stay-at-home moms, retirees, students and even professionals to monetise information," said Eddie Chau, co-founder and chairman of Spini.

SunEdison India acquires Singapore's Continuum Wind Energy

IANS

Solar technology firm SunEdison India has acquired Singapore-based Continuum Wind Energy for an undisclosed sum. "SunEdison has signed a definitive agreement to acquire Continuum Wind Energy, Singapore with assets in India," SunEdison said in a statement here on Tuesday.

"India is a core market for us and offers tremendous growth opportunities in wind and solar energy. With the acquisition of Continuum, a leading wind energy company in India, we have added significant assets and a skilled wind development team to drive further growth in our renewable energy development platform," chief executive Ahmad Chatila said.

"SunEdison's strong global financial capabilities and talented local team here in India position us to capture the incredible business opportunity in this dynamic market," Continuum chief executive Arvind Bansal said.

Continuum operates 242 MW of wind power plants in Maharashtra and Gujarat, has another 170 MW project under construction in Madhya Pradesh, and more than 1,000 MW in development stages in six states across the country.

SunEdison intends to place the power plants acquired from Continuum on the operational call rights list for TerraForm Global, an indirect subsidiary of SunEdison headquartered in the US.

In September last year, SunEdison and TerraForm Power announced the interconnection of 50 MW of solar Projects in Britain.

Make in India: After Samsung, HTC to manufacture mobile handsets in the country

***Economic Times**: June 30, 2015*

HTC has finalised its 'Make in India' plans, becoming the second major global smartphone maker to produce handsets in the country, after South Korean rival Samsung Electronics.

The Taiwanese premium smartphone maker has entered into an agreement with Global Devices Network, which set up a manufacturing and assembling unit three months ago in Noida, to make the handsets on contract.

Trials have already begun and commercial production is expected to start from mid-July, initially catering to HTC's requirements in India and eventually Africa and the Middle East, three senior industry executives said. HTC smartphones made in India will initially range from its entry-level to mid-segment devices, priced between Rs 10,000 and about Rs 25,000, which are sold under the 'Desire' series. It will set up its quality control unit in the contract manufacturer's plant. The company does not plan to assemble its flagship 'HTC One' series smartphones in India,

the industry executives said.
"Besides the evident duty differentiation of 6% to 6.5% that companies would get after making in India, they will also get access to a big market and labour," said Jayanth Kolla, co-founder of telecom research firm Convergence Catalyst.
Global smartphone makers including Sony, LG, Xiaomi and Motorola, too, have evinced interest in manufacturing in India due to the growth potential of the country's smartphone market and to avail of tax benefits drawn by Prime Minister Narendra Modi's 'Make in India' policy. Research firm Gartner's principal analyst Anshul Gupta expects Indian smartphone sales to grow 40% in 2015, contributing to over 38% of overall mobile phone sales, up from 27% in 2014.
Global smartphone makers including Sony, LG, Xiaomi and Motorola, too, have evinced interest in manufacturing in India due to the growth potential of the country's smartphone market and to avail of tax benefits drawn by Prime Minister Narendra Modi's 'Make in India' policy.

India's aviation growth to be double of global average: Airbus

PTI | Jun 21, 2015, 07.22PM IST

Eyeing big orders from Indian airlines, world's leading aircraft maker Airbus has said that India's aviation market will grow at over 10 per cent annually in next ten years, which would be double the average global growth rate.
Bullish on India as a marketplace as well as manufacturing hub, Airbus has already committed to source products worth USD 2 billion cumulatively over the next five years and it is now looking to provide customised maintenance and other services for all its airline customers in India closer to their base.
"India is very much on Airbus map for all the important work that we do globally and it is not just from the market perspective," Airbus India Managing Director Srinivasan Dwarkanath told in an interview here at the Paris International Air Show.
"In terms of market, India will be one of the top three aviation markets globally in the next 20 years. It is already one of the fastest growing markets," he said, adding that the country would need to double its aircraft fleet even if one per cent more of its population starts travelling by air.
"We are expecting an annual growth rate of over 11 per cent for the domestic market in India over the next ten years, while the combined growth rate for domestic and international routes would also be more than 10 per cent.
That would be almost double the global growth rate," he said.
Dwarkanath said Airbus wants to be "very close to its customers and we want to be in India".
"In our Global Market Forecast 2013, we had said that India would need 1,291 new passenger and freight aircraft by 2032. "In just two years, more than one-third of this projected requirement has been met, which means more than 800 more would be needed by 2032. But it seems we would have to revise upward the forecast," he said.
"If we compare it with other countries, the aviation penetration is very low in India, which provides huge growth opportunities. Even if one per cent more people start travelling by air, India would need to double its aircraft fleet.
"The growth prospect is huge and therefore I feel we may have to revise our growth forecast in the future," he added.

Mahindra bags multi-million dollar Airbus deal

PTI

The Mahindra Group today clinched a multi-million dollar aerospace contract with European consortium Airbus at the Paris Air Show, marking a major milestone in the ‘Make in India’ initiative.
Mahindra Group subsidiary Mahindra Aerospace bagged the multi-year aero-components manufacture and supply contract. “This is significant as a vote of confidence in Make in India, the ‘first tika’ in this broad vision, as well as a vote of confidence in Mahindra,” Anand Mahindra, chairman and managing director of Mahindra and Mahindra Ltd, told PTI on the sidelines of the Air Show which opened here today. “Getting such a contract is a lengthy process which takes a lot of cooking and brewing and this implies Mahindra is now in the inner circle of suppliers,” he said.

The contract, the value of which has not been disclosed, will involve a variety of Mahindra produced metallic components, in excess of a million parts per annum, to be fitted into several Airbus aircraft programmes as part of assemblies produced by Premium Aerotec.

The parts will be produced at the new Mahindra Aerostructures facility located at Narsapura, near Bengaluru, with deliveries to Premium Aerotec's facilities in Germany scheduled to commence this year.

Mahindra said, "We as a group, with Tech Mahindra and Mahindra Aerospace, are the largest supplier to Airbus out of India but the potential remains to substantially hike the amount the company sources from India. As Airbus raises its procurement from India, it will be a great validation of Make in India."

"When we began our aerospace journey in 2008, India had yet to establish a presence in the global aerospace supply chain. We committed then to bridge that gap with our investments in aerospace manufacturing, and this new chapter in our relationship with Airbus attests to that commitment," he said.

"This is our vision to take 'Make in India' from policy to reality: Build bridges across cultures, countries and businesses," he added.

The US$ 16.9-billion Mumbai-headquartered Mahindra Group, with over 200,000 employees across 100 countries had set up its utility aircraft and aerostructure manufacturing operation with Mahindra Aerospace in 2008.

"We are the only Indian company that builds planes, which are built in Australia, and we are the only business house that covers all three wings of defence - Army, Navy and Air Force," said S P Shukla, Group President and CEO of Mahindra Aerospace and Defence Sector.

"Today every major aerospace company is in dialogue with us. With Premium Aerotec, Mahindra Aerospace have started a journey to build capability and capacity in India," Shukla said.

Lars Kastle, Senior Vice President Finance, Procurement and IT Management, Premium Aerotec, said, "For Premium Aerotec, this is the start of a strategic partnership with Mahindra Aerospace. It represents an important step in our restructuring efforts to rearrange our supply chain in collaboration with global partners."

Mahindra's Narsapura unit, the hub of the new manufacture and supply contract, was inaugurated in 2013 and is certified to demanding Airbus specifications as well as aerospace industry-standard requirements.

Premium Aerotec is a 100 per cent subsidiary of the Airbus Group and one of the world's leading suppliers for the development and manufacture of large aircraft structures for civil and military aircraft.

Cisco to raise investment in the country, banks on Digital India

***Livemint**: June 19, 2015*

Cisco Systems Inc., the world's largest maker of networking equipment, said on Thursday that it plans to increase its investment in India, even start manufacturing locally when the country makes it conducive to do so—all in the hope that it will get manifold returns when the country begins to execute the "Digital India" programme that will require networking equipment to build and connect the envisaged hundreds of smart cities and villages.

Towards this end, both Cisco's chief executive-designate Chuck Robbins and John Chambers, the current chairman and CEO, met Prime Minister Narendra Modi on Thursday morning. "We were with (Prime Minister Narendra) Modi today and he lived up to every expectation we had of him," said Chambers, who will become executive chairman of Cisco when Robbins takes charge of the company as CEO on 26 July. Cisco's financial year begins on 1 August.

Cisco generated about $1.1 billion in revenue from India this financial year, and invests about $1.7 billion annually in the country. Of this amount, $250 million is spent around facilities and the remaining on "people", according to Robbins.

"Cisco believes our renewed local investments, global expertise, and world-class innovation will accelerate the government's vision to create sustainable competitiveness and prosperity. We are deeply committed to partnering with India to achieve the digital vision," he added. "India could be the first, really large digital nation in the world," said Chambers, who is visiting New Delhi to, among other things, introduce Robbins to Cisco's employees and key government officials. To begin with, Cisco plans for direct and indirect investment of up to $20 million over the next five years into the Cisco Networking Academy, with an additional $40 million for the next phase of expansion in India. The Cisco Networking Academy in India is one of the largest programmes for the company worldwide.

Across 198 academies nationwide, around 100,000 Indian students have been trained since its inception.

The skill-development programme is a cloud-delivered, scalable, high-quality programme that helps students learn how to design, build, secure and maintain computer networks. With this programme, Cisco hopes to train an additional 120,000 students.

Cisco also announced a $40 million investment towards the expansion of its India facility. Spread over 4 million sq. ft, and designed as a campus-as-a-city for thousands of Cisco employees, the Cisco Smart City in Bengaluru is a spectacular showcase of the future of smart and connected communities in India.

Cisco also plans to use its global supply chain expertise to help build and accelerate the manufacturing ecosystem in India but is waiting for the government to smoothen the “ease of doing business, and regulatory environment” that will make it conducive to do so, Chambers said. “We can start full-scale manufacturing around the business we have in India within two quarters of the government clearing the roadblocks,” he asserted.

In contrast, Cisco plans to invest more than $10 billion in China over the next few years. Chambers said the investment in China is higher because “we have been manufacturing in China for the last 20 years”.

Cisco, meanwhile, is also excited about the start-up ecosystem in India.

The company has made “over 25 direct and indirect investments” in the country and it is “collaborating with entrepreneurs across India to discover and accelerate the creation and adoption of disruptive technologies as well as new business models around IoE (Internet of Everything)”, Robbins said.

The central government’s department of electronics and information technology (DeitY) released the first IoT (Internet of Things) policy framework proposal for India, in October.

This policy document related to the IoT framework is part of the broader Digital India vision shared by the central government. The government envisions creating a market of $15 billion around IoT by 2020 in India, increasing connected devices from the current 200 million to 2.7 billion by 2020.

By then, it is expected that India would have a share of 5-6% of the global IoT industry.

Cisco has grown primarily by acquiring over 170 firms—most of them in the US and some in Europe and China.

In 2007, Cisco announced a $100 million venture capital fund for early-stage Indian firms. This was in addition to the $100 million it had allocated to funds focused on India—part of its $1.1 billion overall investment plan for the country.

Cisco has invested in Netmagic Solutions Ltd, Servion Global Solutions Ltd, Nimbus Communications Ltd, Satyam Global Lifenet, Indiagames Ltd and Bharti Telesoft Ltd.

In July 2010, India’s largest telcom firm, Bharti Airtel Ltd, announced a tie-up with Cisco and Servion to enter hosted contact centre services—which enable firms to access technology without having to buy software licences.

Cisco employs around 11,000 people in India across cities including Bengaluru, Delhi-NCR (national capital region), Mumbai, Chennai, Kolkata, Pune and Hyderabad. Of these, 8,000 people are part of the research and development (R&D) centres.

The Cisco Global Development Centre in Bengaluru is the largest such centre outside the US. Cisco Systems (India) Pvt. Ltd also has joint development centres with Wipro Ltd and Infosys Ltd in Bengaluru, HCL Technologies Ltd in in Chennai and Zensar Technologies Ltd in Pune.

The company’s rivals, both worldwide and in India, include Juniper Networks Inc., Hewlett-Packard Co. and D-Link Corp.

According to a 5 May note by research firm Forrester Inc., “Although an icon of the technology industry, his (Chambers’s) succession was inevitable. Chambers was the apostle of ‘customer experience’ about two decades before it was hip, and in numerous ways, he is a very tough act to follow... Still, the time is right to bring in a fresh approach to guide the company into a new era defined more by customer experience than simply technology superiority.”

MNCs like Bombardier, Hyundai-ROTEM, TALGO, CAF queue up to make high-speed trains

***Economic Times**: June 19, 2015*

New Delhi: Global giants such as Bombardier, Hyundai-ROTEM, TALGO and CAF have queued up to manufacture semi high-speed train sets in India, which will be used for faster inter-city travel. "Four multinationals have evinced interest to manufacture modern train sets in India. The successful bidder will first import two train sets and then rest would be manufactured in the country," a senior railway board official told ET.

Introduction of the muchawaited train sets was announced by Railway Minister Suresh Prabhu in his Rail Budget 2015-16. The cost of the project is pegged at around Rs 2,500 crore for 15 train sets. If successful, more such train sets would be ordered. Train sets are identical to Bullet trains where coaches are self-propelled and not pulled by locomotive. As a result, power is equally distributed across the system bringing down travel time substantially. However, unlike Bullet these will not require dedicated tracks. These swanky trains will ply on all Rajdhani and Shatabdi routes. As per the Request for Proposal for the project, while 275 coaches will be manufactured in India, 40 would be imported.

The Request for Qualification (RFQ) was floated in May for the global manufacturers to participate in the bidding process. Bids will be opened in August for shortlisting the qualified bidders. The RFQ will be followed by financial bids and the successful bidder will be awarded the contract by December.

Two potential bidders — CAF and TALGO — are from Spain, while Bombardier is from Canada. Indian Railways has proposed to increase the speed of nine railway corridors from the existing 110 and 130 km per hour to 160 and 200 km per hour respectively so that inter-metro journeys on the Delhi-Kolkata and Delhi-Mumbai routes, for instance, can be completed overnight. After the Narendra Modiled NDA government came to power, railways have been aggressively eyeing private investment in the sector, and the government has already cleared 100% FDI in railways infrastructure. Railways is also in process to bid out the two locomotive factories in Bihar.

Four global firms -- Alstom, Siemens, GE and Bombardier -- have been shortlisted for the proposed electric locomotive factory at Madhepura.Two multinationals, GE and EMD, are vying to bag the diesel locomotive plant at Marhorah. The estimated cost of the loco factories is about Rs 1,200 crore each. The projects are expected to be awarded by the end of this year.

French drone maker LH Aviation to Make in India now

***HT Business**: June 22, 2015*

Paris: French drone-maker LH Aviation on Friday signed an MoU with Indian OIS Advanced Technologies for the manufacturing of tactical drones in India, at the ongoing Paris Air Show. The companies will collaborate for setting up a manufacturing plant through an industrial licence. This will allow a hundred drones intended for the Indian market to be produced locally.

The LH-D is a multi-sensor tactical UAV (unmanned aerial vehicle) with automatic take-off and landing capabilities. UAVs are generally used for military or non-military securitymissions.

The drone is a new kind of product, which can also be reconfigured as a manned controlled version or a conventional aircraft called OPV (optionally piloted vehicle), LH Aviation CEO Sebastien Lefebvre told HT.

Declining to comment on financial details of the deal, Lefebvre said the cost per UAV is generally about 4 million euros, including the global system, which includes transfer of technology, consumables and services.

The MoU has been signed for drones with a payload of 280 kg with an autonomy of 24 hours. These drones run at a speed of 61-185 knots and can be deployed quickly as they have removable wings. They can also be sent into any field of operation and be ready in less than one hour.

The operating cost of the drone is below 80 euros per hour of flight.

“Our relationship with LH Aviation has enabled us to bring a flexible, advanced technology medium-altitude long endurance (MALE) UAV platform, which can be customised for Indian requirements,” OIS-AT chairman Sanjay Bhandari said.

French co Alstom looks at Make in India initiative to double its biz to Rs 5,700 crore

***Economic Times**: June 15, 2015*

French transport company AlstomBSE 1.86 % is looking to the Narendra Modi government's Make in India initiative to double its business in the country to 800 million euro (Rs 5,700 crore) in the next three years.

The company is expanding its manufacturing facility in Chennai and opening a new factory for building traction systems in Coimbatore this year. Alstom will also supply the German market from India. "The business environment in India has improved over the last year," said Henri Poupart-

Lafarge, president, Alstom Transporrt. "Things were not as rigorous on the implementation of projects till some time ago." Alstom says India is the only country where it has a complete supply chain from design to manufacturing sourced locally. It plans to hire more than 200 engineers annually over the next three years to support its expansion. It currently employs 800 engineers.

The company is also looking to bring its elevated tramway technology Axonis to India. This doesn't need tracks but runs on cables and has been pitched to various state governments, including Uttar Pradesh.

"If the proposal gets through, we will manufacture the train bogies in India itself," Poupart-Lafarge said. "Many states have shown interest as this is a much more practical solution for small cities with narrow roads. It can even be the feeder for metro services."

Alstom also expects growth from the dedicated freight corridor. It plans to partner Indian Railways in power supply and locomotives and has bid for the electrification and signalling contract for the Khurja-Bhaupur (343 km) section of the Eastern Corridor.

"The concept of smart cities is still being defined but transportation is an essential part and that is where our expertise comes in," Poupart-Lafarge said. Alstom globally provides the complete range of systems, equipment and services for railway systems.

In India, the company provided the initial coaches and the technology for the LHB (lightweight all-metal) coaches used on the Rajdhani and Shatabdi trains. Besides, it is also running Train Information Systems for the Delhi, Bengaluru, Jaipur and Kochi metros.

One of the biggest challenges that the company faces in its metro projects is the absence of standard norms, with each city demanding unique specifications. "The execution of metro projects could be faster and more cost-efficient if there are uniform standards," Poupart-Lafarge said. "The efforts of the Ministry of Urban Development in this direction are welcome."

BILATERAL

International Day of Yoga celebrated in Singapore .. Cont from P. 1

The event at 50 centres across the country was to make it a part of the commemorative event marking the 50 years of establishment of India-Singapore relations and 50 years of independence of Singapore.

Tourism Minister visits Singapore

Hon'ble Minister of State for Tourism (Independent Charge), Culture (Independent Charge) and Civil Aviation, Dr. Mahesh Sharma, visited Singapore on 17-18 June 2015. Besides inaugurating the Buddhist Art Exhibition titled "Treasures from Asia's Oldest Museum: Buddhist Art from the Indian Museum, Kolkata" at the Asian Civilisations Museum, he met with Mr. Lawrence Wong, Minister for Culture, Community and Youth, and Mr S Iswaran, Minister, Prime Minister's Office & Second Minister for Home Affairs & Second Minister for Trade and Industry. He also visited the newly-set up Indian Heritage Centre.

FORTHCOMING EVENTS >>>> *INDIA*

I. Pharmexcil's International Business Meet

Date: 3-4 July, 2015

Venue: Chennai Trade Centre, Chennai, India

Organizer: Pharmexcil

Contact : Dr. P V Appaji (Director General-Pharmexcil) at dg@pharmexcil.com

Details: Pharmexcil is organizing an International Business Meet (ASEAN region) during 3-4 July, 2015 in Chennai. In this regard the Council proposes to invite representatives from Govt procurement agencies, drug regulatory authorities and about 2-3 major importers/distributors from Singapore. With the financial assistance from Govt. of India, Pharmexcil will be sponsoring the visits of these invitees by bearing the cost of travel by economy class & local hospitality during the meet.

II. 55th India International Garment Fair

Date: 13-15 July, 2015

Venue: New Delhi, India

Organizer: Apparel Export Promotion Council of India (AEPC)

Contact : www.indiaapparelfair.com

Details: Under Buyers Promotion Scheme of Ministry of Commerce & Industry, the Council is providing complimentary airfare and 3 night's hotel stay as per certain qualifying criteria subject to the approval of the Buyers Screening Committee for attending delegates.

III. 30th India Carpet Expo

Date: 11-14 October, 2015

Venue: Varanasi, India

Organizer: Carpet Export Promotion Council (CEPC)

Contact : www.indiancarpets.com

Details: CEPC would like to invite prominent buyers from 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 Varanasi between 10th to 14th October, 2015.

Notifications

Securities and Exchange Board of India

Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1428927142167.pdf

Change in investment conditions for FPI investments in Government Debt Securities

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

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

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

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

Export of Goods and Services – Project Exports

https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9635&Mode=0

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

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

Overseas Investments by Alternative Investment Funds (AIF)

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

Ministry of Finance

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

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

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

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

Yoga steps into Guinness World Records

PIB : June 22, 2015

The Ministry of AYUSH has been awarded with two Guinness World Records in two different categories on the first International Day of Yoga.

Category 1 was for the largest number of participants in a Yoga Lesson at single venue. The earlier record was of 29,973. To beat that record a target of 30,000 was required. The Ministry broke that record as 35,985 participants performed Yoga at Rajpath today morning.

Category 2 was most number of nationalists in a Yoga Lesson. To achieve this at least participants from 50 countries were required to perform. But today participants from 84 countries performed Yoga at Rajpath.

Shri Shripad Yesso Naik. MoS(I/C). Ministry of AYUSH and Secretary AYUSH received the awards which were presented by the representatives of Guinness World Records Ms Victoria from UK and Mr. Marco Frigatti from Italy.

Speaking on the occasion the Minister expressed his gratitude towards the officials of the Ministry for making the programme of Rajpath a great success and efforts made towards achieving two world records.

Also present on the occasion were Yog Gurus, Mr. Guru Malladi, coordinator of EY Company and senior officials of the Ministry.

FAQs on Foreign Investments In India

The fortnightly FAQs will broadly cover the following areas

I. ***Foreign Direct Investment***

II. ***Foreign Technology Collaboration Agreement***

III. ***Foreign Portfolio Investment***

IV. ***Investment in Government Securities and Corporate debt***

V. ***Foreign Venture Capital Investment***

VI. ***Investment by QFIs***

I. Foreign Direct Investment (FDI)

Q. Are there any exception on application of downstream investment?

Ans: The downstream rule may not be applied in following cases:

Where the first level Indian company is owned and controlled by resident Indian citizens;

where for investment in sectors it is specified in a statute or a rule there under. The above methodology of determining direct and indirect foreign investment therefore does not apply to the insurance sector which will continue to be governed by the relevant Regulation;

Downstream investment/s made by a banking company, as defined in clause (c) of Section 5 of the Banking Regulation Act, 1949, incorporated in India, which is owned and/or controlled by non-residents/ a non-resident entity/non-resident entities, under Corporate Debt Restructuring (CDR), or other loan restructuring mechanism, or in trading books, or for acquisition of shares due to defaults in loans, shall not count towards indirect foreign investment.

Source: RBI

For Feedback & Comments, please contact:

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