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India Focus


President Shri Pranab Mukherjee

this issue

BUSINESS

Capital master plan by June, says Naidu

The Hindu

A detailed action plan for seed capital region to be submitted by Singapore companies. AP, Singapore and Japan govts to finalise the action plan for the remaining capital region.

A three-stage master plan on building the State capital, including a detailed action plan for seed capital region covering an area of eight sq.km would be submitted by two companies appointed by the Singapore government by June.

While the stage-1 of the plan giving an overall vision would be ready by middle of next month, the stage-2 containing an action plan and zoning for 30,000 acres would be completed by April-end and the third stage by June first week, Chief Minister N. Chandrababu Naidu and Singapore Minister in the Prime Minister's Office, S. Iswaran told a joint press conference here on Monday.

Earlier the Singapore team led by Mr. Iswaran made a presentation to Chief Minister, Municipal Administration P. Narayana and senior government officials on different activities, including the economic aspects and social infrastructure. Mr. Naidu said that while the Singapore ***...Cont on P. 11***

TOP NEWS » ECONOMY

Government promulgates ordinance merging PIO, OCI schemes

TNN | Jan 7, 2015, 11.04AM IST

The Citizenship (Amendment) Ordinance, 2015, promulgated on Tuesday, relaxes the condition of one-year continuous stay in India before applying for Indian citizenship and allows a minor child born to Indian citizens to be registered as an overseas citizen of India (OCI).

As per the amended Act, if the Central government is satisfied that special circumstances exist, it may, after recording such circumstances in writing, relax the period of one-year uninterrupted stay in the country, and allow different breaks not exceeding 30 days, for travel abroad.

Besides providing for registeration of a minor whose parents are Indian citizens as OCI, the Ordinance also paves the way for registration as OCI by a child or a grand-child or a great grandchild of such a citizen.The new legislation enables registeration as OCI by such spouse of a citizen of India or spouse of an OCI registered under Section 7A and whose marriage has been registered and subsisted for a continuous period of not less than two years immediately preceding the presentation of the citizenship application. The Ordinance allows the government to specify, by a gazette notification, ***Cont on P. 2***

RBI cuts repo rates by 25 basis points

Reuters, 15 Jan, 2015

The Reserve Bank of India cut its repo interest rate by 25 basis points to 7.75 per cent in a surprise move on Thursday, making its first reduction in a year as inflation showed signs of slowing and the government was making efforts to contain the fiscal deficit.

The RBI added it could cut interest rates further should inflation continue to ease, while it would also monitor the government's progress on fiscal consolidation.

Helped by plunging global oil prices, India's wholesale price index for December rose just 0.11 per cent year-on-year, after staying flat in November, according to data released on Wednesday. A *Reuters* poll of economists had forecast a 0.6 per cent rise.

Retail inflation, meanwhile, rose to 5 per cent in December — below the 5.4 per cent annual rise predicted by analysts in a *Reuters* poll. The RBI is targeting retail inflation of 6.0 per cent by January next year.

In a statement, the RBI cited lower-than-expected inflation, weak crude prices and weak demand as the reasons for its move, as well as the government's commitment to sticking to a fiscal deficit target. "These developments have provided headroom for a shift in the monetary policy stance," it said . ***Cont on P. 8***

Cont from P. 1..a particular date from which all existing PIO card holders will be deemed to be OCI cardholders.

The Indian Citizenship Act, 1955 provides for acquisition, termination, deprivation, determination of Indian citizenship and other related aspects. The Act provides for acquisition of Indian citizenship by birth, descent, registration, naturalization and incorporation of territory under certain circumstances.

Cabinet approves ordinance for mines auction

PTI | Jan 5, 2015, 09.20PM IST

NEW DELHI: The Cabinet on Monday approved an ordinance for auction of iron ore and other minerals, yet again opting the emergency route that was adopted for coal, insurance and land acquisition reforms.

"The cabinet has approved promulgating an ordinance to auction iron ore and other minerals," a government source said after the meeting of the Union Cabinet chaired by the Prime Minister Narendra Modi.

The ordinance would pave the way for introduction of competitive bidding for allocation of iron ore and other non-coal mines. It will also enable creating district mineral funds for the welfare of the project-affected people.

The need for taking the ordinance route was felt as the government was finding it difficult to allocate mines, because the Mines Ministry could not table a Bill in the Winter session of Parliament to amend the Mines and Minerals (Development and Regulation) Act, 1957.

Industry body Federation of Indian Mineral Industries, however, has been opposing the auction route, saying it would sound the 'death knell' for the industry and may lead to cartelization and waste.

While a a draft Bill was put up on the Ministry's website for public comments, the Mines and Minerals (Development and Regulation) (Amendment) Bill, 2014, could not be tabled during the session that ended last month. The ordinance would also enable greater decentralization of power to states for allocation of resources.

The mining sector has been reeling under several issues like ban for the past few years. The previous UPA government had also brought in a Bill in 2011 to amend the Act. But the Bill got lapsed with dissolution of the previous Lok Sabha. Mines minister Narendra Singh Tomar had earlier said the amendments were required to kickstart the sector by removing bottlenecks that are preventing the industry from becoming a growth-multiplier in the country.

However, FIMI contended that the auction route was not pursued in any resource-rich country as it may result in cartelization and monopolistic practices.

The auction route may also lead to selective mining while leaving low grade minerals in the ground, wastage of resources and inflate the cost of final product making it uncompetitive vis-a-vis imports, it had said.

PM Modi brings in NITI Aayog to replace Planning Commission

IndiaToday.in New Delhi, January 1, 2015

The body that replaces the Planning Commission has came into being on New Year's Day.

"Delighted to introduce NITI (National Institution for Transforming India) Aayog. It will provide key inputs on various policy matters," Prime Minister Narendra Modi said on Twitter on Thursday, the first day of 2015.

He said the new institution will "emerge as an active and important institution that will play a pivotal role in India's development journey in the years to come."

"NITI Aayog has been formed after a wide range of consultation with the various stakeholders including the Chief Ministers. A landmark change is the inclusion of all State CMs & LGs of UTs in the NITI Aayog. This will foster a spirit of cooperative federalism," he said.

"Having served as a CM in the past, I am very much aware of the importance of actively consulting the states. NITI Aayog does precisely that," he said.

Modi said that unlike the Planning Commission, the new body will not follow the 'one size fits all'

Make in India' becomes govt's biggest digital initiative, Facebook page adds one member every 3 seconds

By: Agencies | New Delhi | Posted: January 4, 2015

The central government on Sunday announced that "Make in India" has become its largest and fastest growing digital initiative with 2.1 billion impressions on social media.
In the process, the Department of Industrial Policy and Promotion initiative has "left behind every other government department like the MEA (ministry of external affairs), home ministry or the ministry of information and broadcasting", the commerce and industry ministry said in a statement here.
Modi's 'Make in India' campaign adds a new member every three seconds on its Facebook page and has become the most sought after government initiative ever on any digital media platform.
Make in India has seen an overwhelming response on its digital platforms like Facebook and Twitter since its launch just 3 months ago. "The initiative has already touched over 2.1 billion global impressions on social media and reached an overall fan base of over 3 million on its Facebook page," an official statment said on Sunday.
"The Make in India Facebook page adds a new member every 3 seconds, a feat that has not been achieved by any other department of the government and a very few in the private sector, the statement added.
The Department of Industrial Policy and Promotion (DIPP) led Make in India initiative has become the largest and fastest growing government initiative ever on digital media, leaving behind every other government departments like the Ministry of External Affairs, the Home Ministry or the Ministry of Information & Broadcasting, the statement added.
On Twitter @makeinindia_handle the official account, has as many as 2.63 lakh followers already within 90 days. The initiative has been abuzz since the very first day, with its launch video garnering over 5.7 lakh views on YouTube.
Not just the social networks, even the website (www.makeinindia.com) has received immense response with page views of over 5.5 million accessed by over 1.7 million users across the world.
The initiative focuses on attracting businesses to invest and manufacture in India with an aim to make India a global manufacturing hub while bringing about an economic transformation in the country. It has consciously taken the Digital First approach in propagating its agenda across the globe.

approach. "Through NITI Aayog, we bid farewell to a 'one size fits all' approach towards development. The body celebrates India's diversity and plurality," he said. "A pro-people, pro-active and participative development agenda stressing on empowerment & equality is the guiding principle behind NITI Aayog," he said. Delighted to introduce NITI (National Institution for Transforming India) Aayog. It will provide key inputs on various policy matters."Through the NITI Aayog we wish to ensure that every individual can enjoy the fruits of development & aspire to lead a better life. A pro-people, pro-active & participative development agenda stressing on empowerment & equality is the guiding principle behind NITI Aayog," he said. "Through the NITI Aayog we wish to ensure that every individual can enjoy the fruits of development & aspire to lead a better life," he said. The body will serve as a think-tank of the government - a directional and policy dynamo, said a PIB release. "NITI Aayog will provide Governments at the central and state levels with relevant strategic and technical advice across the spectrum of key elements of policy, this includes matters of national and international import on the economic front, dissemination of best practices from within the country as well as from other nations, the infusion of new policy ideas and specific issue-based support," the release said.

NRIs can vote from abroad: govt. tells SC

The Hindu, *January 13, 2015*

The government on Monday informed the Supreme Court of its decision to accept the Election Commission's recommendation to allow Non-Resident Indians to vote from overseas through e-postal ballots or proxy voting.

A three-judge Bench led by Chief Justice of India H.L. Dattu gave the government eight weeks' time to inform it about further steps to implement the modalities of the EC recommendations.

The government's decision to allow NRIs to vote could set the stage for expatriates to emerge as a decisive force in the country's electoral politics.

This decision also, historically, removes an "unreasonable restriction" posed by Section 20 (A) of the Representation of the People (Amendment) Act of 2010, requiring overseas electors to be physically present in their constituencies to cast their votes.

Overseas votes could prove significant: NRI petitioner

Based on an October 2014 report prepared by the Election Commission on options for voters overseas, the government informed the Supreme Court on Monday that it has agreed to the Commission's recommendations to allow NRI to vote via e-postal ballots.

The poll body was acting on the orders of the Supreme Court following two separate petitions filed by V.P Shamsheer, a UAE-based doctor, and Nagender Chindam, chairman of Pravasi Bharat in London.

In a statement on Monday, Mr. Chindam said: "There are 10 million Indian citizens staying abroad, and with 543 Lok Sabha constituencies, this means an astonishing average of 18,000 votes per constituency may get polled from abroad. These additional votes, if polled, will obviously play a crucial role in state and general elections."

Earlier, appearing for the government, Additional Solicitor-General P.S. Narasimha, said in the court: "I would like to inform Your Lordships about a positive development. The government has agreed to all the suggestions made by the Election Commission."

Appearing for the petitioners, Dushyant Dave, agreed that the government need not wait for a statutory amendment, but can straight away issue a notification implementing the change in the voting law. But Mr. Narasimha intervened, saying that concurrence has to be got from the Ministries of External Affairs, Home, Overseas Indian Affairs, Finance before implementing the decision.

"So even if we go for a non-statutory amendment, it will take some time," Mr. Narasimha explained in court.

Agreeing that the government would require time to usher in the change, the Bench observed in its written order that the government has accepted the Commission recommendations in "letter and spirit."

'Reforms agenda on track; economy to witness 6.5% growth'

PTI | Jan 4, 2015, 07.03PM IST

NEW DELHI: The government's reforms agenda is on track and the economy is on its way to transition to 6.5 per cent growth and 6 per cent inflation levels, says a Morgan Stanley report. According to the global financial services firm, the recent steps taken by the government provide further confidence that not only is the reforms agenda on track but the pace is accelerating too. "The government policy action is helping to gradually reverse the productivity weakening policies, and this makes us more confident that the economy is on track to transition to 6.5 per cent growth and 6 per cent inflation," Morgan Stanley's Asia-Pacific chief economist Chetan Ahya said in a research note.

India's GDP growth has averaged 6.5 per cent over the last 25 years, while in the last two years it has averaged 4.9 per cent along side very high inflation until recently.

From a medium-term perspective, in order to lift GDP growth above 6.5 per cent, the government would need to focus on addressing issues related to land, labour and tax reforms, policy regime related to infrastructure sector and overall ranking on ease of doing business.

"The government has moved swiftly in a number of areas, including land acquisition, tax reforms, infrastructure and ease of doing business

recently," it added.
The government has promulgated a few ordinances for FDI in insurance and Coal Amendment bill and also brought about amendments to Land Acquisition Act through an ordinance. On the government taking the ordinance route, the report said this shows the commitment of the government to push for reforms. With the ruling alliance having majority in Lok Sabha, there is little concern on this legislation getting approved there, however, the key challenge will be potentially getting this legislation approved in the Rajya Sabha as well. "In our view, if the Rajya Sabha fails to approve these legislation in the first few weeks of the budget session, the government could resort to calling for a joint session of Parliament and take up all the pending legislation in one shot," the report added.

Core sector sees fastest growth in 5 months at 6.7%

TNN | Jan 1, 2015, 05.36AM IST

NEW DELHI: Improved coal, electricity, cement production and oil refining propelled the index of infrastructure industries to a five-month high of 6.7% in November and provided some cheer in an otherwise gloomy industrial sector.

The index, which has a near 40% weight in the index of industrial production, had registered a 6.3% rise in October 2014 and 3.2% gain in November 2013.
Although coal production and electricity generation have been recording double-digit growth rates for the past few months, activity at refineries and in cement plants witnessed a turnaround of sorts this November.
But the bad news came from fertilizers, crude oil and natural gas, which reported lower a production rate, while steel managed to clock a 1.3% rise.
During April-November 2014, the eight core sectors grew by 4.6%, compared to 4.1% in the corresponding period last year.
Industrial output has been a major headache for the government, which is betting on the sector to play a major role in job generation through enhanced investment to boost local production. But, surplus capacity and low demand have resulted in a poor performance by the sector that accounts for around 16% of the gross domestic product. The Narendra Modi government has worked out a series of steps to push what it has branded as the 'Make in India' agenda.

India's sovereign rating upgrade likely in 2015: Deutsche Bank report

By PTI | 8 Jan, 2015, 09.31PM IST

Improving external balances and government actions may drive a sovereign rating upgrade for the country during the current calendar year, according to a report by Deutsche Bank.
It was despite the fact that market was not yet factoring in a rating upgrade, the report said.
“We assign a high likelihood of a sovereign ratings upgrade for India as most macro indicators have exhibited improvements in past two years,” DB India (rpt DB India), Managing Director and Head of Research, Abhay Laijawala said while unveiling ‘India equity strategy:2015 outlook’ here today.
The rating upgrade for the country will happen shortly, however it will depend on the forthcoming annual Budget, he said.
The BJP-led government at the Centre will present its first full-fledged annual budget for fiscal 2015-16 next month.
Talking about the key risk areas for the country’s economy, the report says that they will be guided by external factors rather than that of domestic reasons.
“Key risks for the country’s economy are more external than domestic ones in nature,” DB vice president Abhishek Saraf said adding, “We do see four areas of risks haunting the growth of the country’s economy.”
The four risk areas include stronger than anticipated slowdown in Europe and China, stronger than anticipated normalisation by US Fed and oil price holding, he added.
The economy has indeed witnessed a turnaround since 2012, when it faced imminent threat of ratings downgrade from global rating agencies.

Commerce Ministry engages with departments to improve ease of doing business

PTI Jan 5, 2015, 02.24AM IST

The Commerce Ministry is intensely engaged with different departments, including revenue and shipping, to reduce paper work in a bid to cut transaction cost for exporters and improve ease of doing business.

The Directorate General of Foreign Trade (DGFT), under the Commerce Ministry has prepared a report suggesting various ways to improve India's ranking in the World Bank's report of ease of doing business, reduce transactions cost for exporters and boost outward shipments.

The ministry aims at reducing the number of mandatory documents from nine to three (bill of lading, invoice and shipping bill) for exports, and from ten to four for imports.

"DGFT is regularly meeting officials of different departments including revenue and shipping to achieve this goal. Reduction in paper work would improve ease of doing business, reducing transactions costs and time and also boost India's exports," an official said.

The report, Trade Across Borders, was circulated to all the departments concerned and they have expressed commitment to help achieving targets by March 31, the official said, adding Commerce Secretary Rajeev Kher has written to the departments to take actions on these recommendations.

According to exporters' body Federation of Indian Export Organisations (FIEO), these measures, if implemented, would push India's ranking within 100th from the current 126th position for doing trade across borders.

"As per our rough estimates, reduction in paper work and making all the ports EDI (Electronic Data Interchange) would help in reducing the transactions cost by about 3 per cent (about $20-25 billion) of the total $750 billion trade," FIEO Director General Ajay Sahai said.

Documents which could be dropped or merged for exports include statutory declaration form and terminal handling receipt while for imports product manual, inspection report and charter engineering certificate.

The government is aiming to improve India's overall ranking in ease of doing business index to 50th position in the next two years from the current 142nd.

The DGFT is also making several procedures online like taking Import-Export Code (IEC) and cargo release order.

Besides, other departments like the Department of Industrial Policy and Promotion (DIPP) too has taken series of steps to improve India's ranking.

During April-November, the country's imports were up 4.65 per cent to $316.37 billion, while exports were up 5.02 per cent to $215.75 billion.

FDI equity inflows rise 24 percent in January-September period

PTI | Jan 1, 2015, 06.08PM IST

Foreign Direct Investment (FDI) equity inflows into India increased by 24 per cent year-on-year to USD 22.43 billion during January-September 2014, the Commerce and Industry Ministry said on Thursday.

During January-September 2013, FDI equity inflows stood at USD 18.07 billion.

The Ministry also said total FDI into India, since April 2000 and September 2014, including equity inflows, reinvested earnings and other capital, stood at USD 345.29 billion.

About FDI liberalisation in the defence sector, it said the move is expected to result in technology transfer which would help in increasing the production base and providing an impetus to manufacturing sector and job creation in India.

"The measure is expected to not only reduce the heavy burden of imports and conserve foreign exchange reserves but also make domestic manufacturing an integral part of GDP growth of the country," it added.

The government in August has allowed FDI upto 49 per cent on approval route in defence sector with certain conditions.

Above 49 per cent, the proposal will be routed to Cabinet Committee on Security on a case to case basis, wherever it is likely to result in access to modern and state-of-art technology in the country.

On the move to allow 100 per cent private and FDI investment under automatic route in rail infrastructure, it said that the decision would facilitate FDI inflows into infrastructure projects including elevated rail corridor project in Mumbai and high speed train project.

Macroeconomic stability has improved, says Jaitley

***The Hindu,** January 14, 2015*

Union Finance Minister Arun Jaitley, on Tuesday, said that the Modi government had taken several initiatives for taking the economy on to a higher growth path and that with inflation and external fronts under control, India's macroeconomic stability has improved.

Growth deceleration has bottomed out and the revival has started as in the first half of the current financial year, growth at 5.5 per cent was higher than the 4.9 per cent in the same period last year, the Finance Minister said, according to an official release. Mr. Jaitley was making the opening remarks at a pre-budget consultative meeting with economists.

The Finance Minister further said that government is committed to fiscal discipline and with sharp decline in international oil prices and due to focused attention from the government, the current account deficit (CAD) is also within the comfort level.

The global economic situation is facing a critical challenge and the government is committed to regaining investor confidence, especially in infrastructure, and for revival of manufacturing, he said.

The economists, in general, expressed their optimism about growth of Indian economy and its capacity to realise its full potential in near future, according to an official release.

The economists recommended that the government give focus to spurring domestic consumption as the global economy is still not showing positive signs of growth except the U.S.

Indian economy sees growth momentum firming: OECD

India, along with Japan, is expected to see positive changes in growth momentum

PTI | London January 12, 2015

Showing positive signs, India's economic growth is firming up even as mixed trends are projected for most of the developed and developing nations, according to Paris-based think tank OECD.

India, along with Japan, is expected to see positive changes in growth momentum. OECD's projections are based on its Composite Leading Indicators (CLIs) -- which are designed to anticipate turning points in economic activity relative to trend.

The Organisation for Economic Cooperation and Development today said the indicators for November 2014 showed "diverging (growth) patterns across most major economies. "The CLIs for Japan and India indicate positive and firming changes in growth momentum". Based on India's November CLI of 99.5, the grouping said in a statement that the country's growth is firming up.

The CLI stood at 99.3 in October, higher than 99.1 seen in September. Prior to that, the indicator touched 99 in August which was more than July's CLI of 98.8.

After slowing to sub-5% growth in the previous two financial years, Indian economy has started showing signs of pick-up. The GDP expanded by 5.7% and 5.3% in the first two quarters of current financial year (which ends on March 2015), respectively.

On Sunday, World Bank President Jim Yong Kim said there is much reason for optimism among investors, entrepreneurs and CEOs thinking of doing business in India as a whole. "According to our projections, its (India's) economy is expected to grow 6.4% this year and even faster in 2016," he had said.

Govt approves 12 FDI proposals worth Rs. 1827.24 crore

9 Jan, The HinduBusiness Line

The Modi-led Government has approved 12 proposals of foreign direct investment (FDI) amounting to Rs. 1827.24 crore.

In addition, one proposal relating to HDFC Bank Limited has been recommended for consideration of Cabinet Committee onEconomic Affairs (CCEA).

This is because the HDFC Bank proposal involved investment over Rs. 1,200 crore.

HDFC Bank has sought approval to issue equity shares aggregating to Rs. 10,000 crore to NRIs/FPIs/FIIs subject to the aggregate foreign shareholding not exceeding 74 percent of the post issue paid-up capital.

The FDI proposals approved by the Government include Ratnakar Bank Limited (involving foreign investment of Rs. 1150 crore), Tevapharm

India Pvt Ltd (Rs 422 crore) and Fresenius Kabi India (Rs 198.80 crore).

Also, three proposals were approved under the automatic route. They related to Aequs Private Limited (FDI involving Rs. 40 crore), Haylard Health Inc, USA (upto Rs. 25 crore) and Euronet Services Pvt Ltd (Nil),

BANKING/FINANCE

RBI cuts repo rates by 25 basis points.. *Cont from P. 1*

The move, ahead of a Feb. 3 RBI policy meeting and the government's annual budget statement at the end of next month, caught markets off guard.

While the early move was unexpected, aggressive reductions in rates were expected over the course of the year to help India's economy out of a rut, with growth rates struggling to recover from their weakest level in a quarter century.

"The cut was expected in first quarter, but has come sooner than expected and front-run the February budget," said Radhika Rao, economist at DBS Bank Ltd.

"This demonstrates RBI's confidence in the evolving inflation outlook and it shows that they are putting faith in governments fiscal consolidation plan."

The 1-year overnight indexed swap (OIS) earlier this week to as much as 7.59 per cent, its lowest since July 2013. According to traders' calculations, it signals expect interest rates to fall below 7 per cent.

The Finance Ministry said it had no immediate comment on the RBI cut and but would issue a statement.

RBI relaxes ECB norms

PTI

The Reserve Bank of India on Thursday introduced changes in external commercial borrowings (ECB) norms under which authorised money changing banks had been allowed to create a charge on securities.

At present, the choice of security to be provided to the overseas lender or the supplier for securing ECB is left to the borrower.

The decision was taken "with a view to liberalising, expanding the options of securities and consolidating various provisions related to creation of charge over securities for ECB at one place," the RBI said in a notification.

Immediate effect

The relaxations are with immediate effect. "It has been decided that AD Category-I banks may allow creation of charge on immovable assets, movable assets, financial securities and issue of corporate and/or personal guarantees in favour of overseas lender/security trustee, to secure the ECB to be raised/raised by the borrower," it added.

However, the new rules are subject to certain conditions.

The underlying ECB must be in compliance with extant ECB guidelines, there should be a security clause in the loan agreement, requiring the ECB borrower to create charge, and a no objection certificate will have to be obtained from an existing domestic lender.

Additionally, AD Category-I bank may permit creation of charge on immovable assets, movable assets, financial securities and issue of corporate and/or personal guarantees.

Reserve Bank of India eases KYC norms for NBFCs

PTI, Jan 2 2015

Amending rules for NBFCs with regard to their KYC exercise, the Reserve Bank today relaxed the time limit during which such due diligence is required.

The rules have been eased due to practical difficulties and constraints in getting Know-Your-Customers (KYC) documents at frequent intervals."Full KYC exercise will be required to be done at least every 10 years for low risk and at least every 8 years for medium risk individuals and entities, taking into account whether and when client due diligence measures have previously been undertaken and the adequacy of data obtained," RBI said in a notification.

However, it added that physical presence of clients may not be insisted at such periodic updations.

RBI asked Non-Banking Financial Companies (NBFCs) to continue carrying out on-going due diligence with their clients and closely examine transactions to ensure their consistency, business and risk profile and source of funds.

Also, NBFCs would be required to get fresh photographs of minor customers on becoming major.

As per earlier norms, NBFCs were required to undertake KYC once in every 5 years for low

risk category customers and once in two years for high and medium risk categories.
Further, RBI said NBFCs need not ask for fresh proofs of identity and address during periodic updation for low risk clients if their address/ identity remains unchanged.
"In case of change of address of such low risk customers, they could merely forward a certified copy of the document (proof of address) by mail/ post," it added.
Also, RBI said NBFCs should not ask a customer for fresh submission of proof in case he or she desires to open a new account with them.
"NBFCs may revise their KYC policy in the light of above instructions and ensure strict adherence to the same," it added.

MARKETS

FII inflows hit record $26 billion in debt markets in 2014

PTI | Jan 1, 2015, 06.03PM IST

NEW DELHI: Overseas investors pumped in a record Rs 1.6 lakh crore (USD 26 billion) into the Indian debt market in 2014 mainly on account of high interest rate and government's reform agenda.
The latest round of inflow came after they pulled out around Rs 51,000 crore (USD 8 billion) in 2013.
The inflow by Foreign Institutional Investors in 2014 has significantly contributed to taking the cumulative net investments into the Indian debt markets since being allowed over two decades ago, in November 1992, to Rs 2.6 lakh crore.
These investors got re-christened as FPIs or Foreign Portfolio Investors in 2014 under a new regulatory regime that promises to make it easier for them to invest in India.
This huge investment inflow, which belies commonly used nomenclature of 'hot money' because such funds can be withdrawn anytime, has come at a time when foreign companies have been mostly reluctant on their FDIs (Foreign Direct Investments) that carry a common perception of being longer-term in nature.
According to market experts, high interest rates coupled with strong-willed RBI (Reserve Bank of India) attracted FIIs to invest in Indian debt markets.
In 2014, FIIs have infused a net amount of Rs 1,59,157 crore in the debt markets - making it the highest investment level since 1997. Separate investment data for debt was not available prior to that period.
Besides, FIIs have poured a net of Rs 98,000 crore in equities.
While inflows into bonds have been significantly higher than the equities in 2014, the overseas investors had kept away from the debt market in 2013 and had pulled out a net sum of Rs 51,000 crore in that segment due to weakness in the Indian currency.
Interestingly, most of the inflows this year into Indian debt market has gone into government securities.
Market experts said that overseas investors remained bullish on the Indian debt markets throughout 2014, barring the month of April. The sentiments had been bullish even during the first half of the year, mainly on hopes that a strong reform -oriented government will come to power at the Centre.
These positive sentiments continued after a new government took over in May and got a further boost from the reform measures announced subsequently.
"After the change in government at the Centre in May, there has been a significant change in sentiment and outlook towards India. Most foreign investors are finding India to be a far better choice that can generate returns in both short and long term," Ladderup Wealth Management's Managing Director Raghvendra Nath said. Amongs various emerging market economies, India is being viewed as the strongest candidate for portfolio investments, he added.

SEBI proposes e-IPO norms

PTI

To boost fund raising from markets, the Securities and Exchange Board of India, on Thursday, proposed e-IPO norms, where investors can bid for shares through Internet and eventually on mobiles, while already listed public sector undertakings (PSUs) will be provided a ‘fast-track’ route for share sales to meet the disinvestment targets.
For already listed companies as well, the market regulator has proposed a fast-track route for raising of funds through FPOs (follow-on public offers) or rights offers (where funds can be raised from existing shareholders). Under the new norms, SEBI has proposed to drastically cut

the timeline for listing of shares within 2-3 days of the IPO, as against 12 days currently.

The fast-track route of raising capital has been proposed for companies having public shareholding market valuation of as low as Rs.250 crore, as against Rs.3,000 crore at present. The public sector entities can tap the 'fast-track' route even without complying to this minimum average market value limit, provided they meet other conditions, SEBI said. Under the 'fast-track' route, a listed company would not be required to file any draft offer document for its FPO or rights issue and it can proceed with the fund-raising programme without necessarily getting 'observations' from SEBI.

SEBI has invited public comments till January 30, after which it would put in place final norms for e-IPO as also for fast-track issuances.

Simplifying process

The proposed moves are part of efforts to simplify the process of IPOs, lowering their costs and helping companies reach more retail investors in small towns.

Initially, investors would be able to place bids through Internet and by using broker terminals across the country, as against the current practice of filling long paper forms.

Mobile app for making bids

A framework for use of mobile applications for making bids in public issues can also be put in place for implementation in future, SEBI said.

Investors would also get SMS/e-mail alert for allotment under the IPO, similar to alerts being sent to investors for secondary market transactions.

Further, on account of reduction in printing of application forms, the overall cost of public issues will also come down.

SEBI said that these proposals may be used for debt issues as well. However, to make this mechanism applicable, suitable amendments may be required under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

BUSINESS

KKR partners Singapore's GIC to float India realty lending firm

Jan 8, 2015, International Business Times

Private equity major KKR & Co has floated a non-banking financial company in India that will lend to the real estate sector.

The move will be KKR's second non-banking finance company (NFBC) in India, the firm said in a statement.

KKR also said Singapore's sovereign wealth fund, GIC, has invested in the NBFC.

Ralph Rosenberg, Global Head of KKR Real Estate said: "...We are excited to assist a sector that is still under-built. While many lenders provide debt to this sector, there is a need for solution-oriented, non-dilutive capital for property developers.

"We intend to fill that gap and contribute to the continued development of India's residential and commercial real estate sectors."

Sanjay Nayar, CEO of KKR India, said: "This sector-focused NBFC further enables KKR to provide tailored financing solutions to companies, and adds to our established private equity and lending businesses in India..."

In 2014, KKR initiated the real estate business in India by structuring and participating in three transactions with an aggregate amount of approximately $190m (£125, €160m).

Since rolling out a dedicated real estate platform in 2011, New York-based KKR has committed over $1.8bn of equity to 29 real estate transactions in the US, Europe and Asia.

Singapore sees biz opportunity in govt's 100 smart city project

Jan 11, 2015, AHMEDABAD, dhns

Singapore sees a huge business opportunity for its companies in the Narendra Modi government's plans to develop 100 smart cities across the country.

S Iswaran, Singapore's Minister Second for Trade and Industry, has said that Singapore companies can contribute in building smart cities as they have a strong track record in urban solutions and infrastructure management. "This is also what our companies are doing in other markets in China and ASEAN countries. Our companies have started doing this here also," Iswaran told a select group of journalists from India and Singapore here. The government had announced the setting up of 100 smart cities across the country soon after it came to power in May 26. The first among these is being developed in Dholera, 110 km from Ahmedabad along the Delhi-Mumbai Industrial Corridor. Trade between Singapore, the "largest trade and

and investment partner" of New Delhi among ASEAN countries, and India is "growing quite well" and valued at about 25 billion dollars, he said. "There are new opportunities based on the initiatives of new government under Prime Minister Modi. We see this as a way for enhancing bilateral economic cooperation," he said.

Iswaran had flown to Ahmedabad from New Delhi in the inaugural flight of Vistara, a joint venture of Tata Sons and Singapore Airlines, on Saturday to attend the Vibrant Gujarat Summit. Complimenting the joint venture, Iswaran said it is an "excellent addition" in bilateral economic ties between India and Singapore. "I think it is a very good development. It will give further momentum to the economic ties between the two countries," he said. Asked whether Singapore businesses still experience bottlenecks in dealing with India, he said in any emerging market, there are opportunities as well as challenges. "This is not just specific to India. That is why our businesses and investors need to asses the opportunities and compare it with the risks associated with it," he said adding the reality is that all governments will have to reconcile the challenges it faces.

Expressing confidence in Modi government, he said, businessmen, especially in Singapore are closely watching the agenda set by the new government. "They see an opportunity. The greater regulatory clarity, the greater the investment incentive is," he said.

Capital master plan by June, says Naidu

.. *Cont from P. 1*

government would submit the master plan relating to eight sq.km, the governments of AP, Singapore and Japan would finalise the detailed action plan for the remaining capital region.

Asserting that a world-class capital would be built, he said the best practices would be adopted. It would not only be a city with buildings, but it would create dynamic economic activity and wealth creation. While the present population in the capital region was 2.5 million, the planning was being done for seven million people.

Mr. Iswaran said that the two Singapore companies—Subarna and Jurong-- have experience in master planning for cities. They did so in Singapore and many other counties.

He also mentioned about the growing bilateral ties between Singapore and India and the plans of Prime Minister, Narendra Modi to build Smart Cities in the country.

Mr. Iswaran and other members of Singapore delegation would accompany Mr. Naidu to Visakhapatnam, Vijayawada and Tirupati on Tuesday. They would also interact with entrepreneurs during their visit.

A three-stage master plan on building the State capital, including a detailed action plan for seed capital region covering an area of eight sq.km would be submitted by two companies appointed by the Singapore government by June.

While the stage-1 of the plan giving an overall vision would be ready by middle of next month, the stage-2 containing an action plan and zoning for 30,000 acres would be completed by April -end and the third stage by June first week, Chief Minister N. Chandrababu Naidu and Singapore Minister in the Prime Minister's Office, S. Iswaran told a joint press conference here on Monday.

Earlier the Singapore team led by Mr. Iswaran made a presentation to Chief Minister, Municipal Administration P. Narayana and senior government officials on different activities, including the economic aspects and social infrastructure. Mr. Naidu said that while the Singapore government would submit the master plan relating to eight sq.km, the governments of AP, Singapore and Japan would finalise the detailed action plan for the remaining capital region.

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Ascendas to invest $95 million in Indian property developer

Reuters Dec 31, 2014, 02.02PM IST

Singapore's Ascendas India Trust will invest 6 billion rupees ($95 million) over two years in Indian real estate company Paranjape Schemes (Construction) Ltd, the property developer said on Wednesday.
Ascendas will initially invest 2.6 billion rupees via listed non-convertible debentures and the remainder by taking a stake in a Paranjape unit developing a commercial project in the western city of Pune close to the financial capital of Mumbai.

Overseas investors are betting on a revival in India's commercial real estate space after the Narendra Modi-led government paved the way for listing Real Estate Investment Trusts earlier this year to help cash-strapped developers.
Foreign investors, including Blackstone Group, Goldman Sachs, and Singapore sovereign wealth fund GIC , had invested about $1.5 billion in India's real estate sector as of Dec. 12, according to data from Venture Intelligence. About a third of that investment was in commercial real estate.

PM Modi raises solar investment target to $100 bln by 2022

Reuters

Indian Prime Minister Narendra Modi has ramped up his target for solar energy as he bets on renewables to help meet rising power demand and overcome the frequent outages that plague Asia's third largest economy, a senior official told Reuters.
India gets twice as much sunshine as many European countries that use solar power. But the clean energy source contributes less than 1 percent to India's energy mix, while its dependence on erratic coal supplies causes chronic power cuts that idle industry and hurt growth.
Modi now wants companies from China, Japan, Germany and the United States to lead investments of $100 billion over seven years to boost India's solar energy capacity by 33 times to 100,000 megawatts (MW), said Upendra Tripathy, the top official in the Ministry of New and Renewable Energy.
That would raise solar's share of India's total energy mix to more than 10 percent. In Germany, a leader in renewable energy, solar accounted for about 6 percent of total power generated in 2014.
India had earlier set an investment target of $100 billion for the next five years for all types of renewable energy, with wind taking up two-thirds of the total. In an interview, Tripathy said Modi's new solar target was ambitious, "but if you do not have a higher goal, you will not achieve anything".
Canadian Solar and China's JA solar told Reuters they are looking at making cells or modules - used in solar panels - in India. JinkoSolar Holdings said recent announcements have also raised their interest.
U.S.-based First Solar and SunEdison Inc have sizeable businesses in India, and together with local firms will invest $6 billion in India for the fiscal year to March 31. Tripathy expects new and existing companies to invest about $14 billion annually starting next fiscal year through to 2022.
Among First Solar's top projects are two plants with Kiran Energy Solar Power and Mahindra Solar One totalling 50 MW in Rajasthan. SunEdison is working on a 39 MW project in India and hopes to participate in the solar expansion plan, said regional managing director Pashupathy Gopalan.

RBI Actions:

- RBI allows Alternative Investments Funds to purchase foreign securities-(http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9386&Mode=0) & (http://www.rbi.org.in/scripts/NotificationUser.aspx)
- RBI further liberalizes Overseas Direct Investments by Indian Party. The details can be seen from the following link-(http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9432&Mode=0)
- RBI issues norms for trading platform for MSME receivables: The Reserve Bank of India (RBI) has permitted setting up of an exchange-based trading platform to facilitate financing of bills raised by Micro, Small and Medium Enterprises (MSMEs) to corporate and other buyers, including government departments and PSUs. The platform, Trade Receivables Discounting System (TReDS) should have a minimum paid up equity capital of USD 4.04 million and non-promoters would not hold over 10% of the equity capital of TReDS.

DIPP, FDI Changes:

- Review of FDI policy in the Construction Development Sector. The details can be seen from the following link-**(http://dipp.nic.in/English/acts_rules/Press_Notes/pn10_2014.pdf)**
- DIPP abolishes licensing for Ammonium Nitrate Fuel Oil-(http://dipp.nic.in/English/acts_rules/Press_Release/PressRelease_20November2014.pdf)
- Report on ease of doing business initiative of DIPP, Ministry of Commerce & Industry-(http://dipp.nic.in/English/Investor/Doing_BusinessInitiative.pdf)

Some of State Government Initiatives:

- **Telangana unveils industrial policy:** The Telangana state government has unveiled its new industrial policy framework encompassing 14 thrust areas. It focusses on developing six industrial corridors and common infrastructure for various industries among other things. The policy framework also listed out sector-specific incentives and steps for a hassle-free and transparent environment for the units to set up and operate. The government expects a growth of 4%-5% over and above the national average in the manufacturing sector on the back of the new policy. It has also promised a conducive taxation structure besides taking steps against tax evasion by undertaking tax rationalization on industrial inputs and outputs with neighbouring states like Karnataka, Maharashtra, Gujarat and Tamil Nadu.
- **Gujarat announces IT policy:** Government of Gujarat has announced two more policies in the areas of information technology (IT) and e-governance for 2014-2019. The policy looks to encourage new units, create one million jobs and aim at USD 12.13 billion worth of turnover by 2020. Gujarat will not only look to encourage new IT units, projects as well as parks but also provide incentives for creating quality workforce in the industry. The benefits under the IT policy include 100% waiver in the stamp duty and registration fees over purchase/lease or transfer of land for new units and 25% subsidy for lease/rentals for new units coming up in IT parks, among others.
- **Uttarakhand approves new MSME policy:** The Uttarakhand Cabinet has put its seal of approval on the draft of the new micro, small and medium enterprises (MSME)

policy. The decision was taken at a meeting at the secretariat here on Wednesday, government officials said. In the policy, areas for incentives have been divided into categories A and B in the state. Backward districts such as Pithoragarh, Uttarakashi, Chamoli, Champawat, Rudraprayag and Bageshwar have been kept in the category A where the capital subsidy will be 40 per cent. In the category B, districts such as Tehri, Pauri and Almora have been included, and the capital subsidy will be 30 per cent. The interest subsidy in the category A will be 12 per cent while it will be 10 per cent for B.

- **Madhya Pradesh clears investment policy for defence equipment production**: MADHYA Pradesh has approved a policy aimed at helping firms willing to USD 81.60 billion or more for setting up public and private sector defence production units in the vicinity of the towns of Katni, Itarsi, and Jabalpur where ordnance factories already exist. Under the policy, a 50-acre undeveloped government land will be provided. Also, land belonging to the closed down and sick units would be purchased for setting up defence equipment manufacturing units. The policy also has a provision for providing subsidy for transporting goods and raw material to and fro the ports.

Central Government Initiatives:

- **Railways allows 100% FDI in setting up of bio-toilets, laundry facility:** Railways has identified toilets as one of the 17 special areas where 100 per cent foreign and private investment can bring about major investments. According to the guidelines approved by the government under its FDI policy, 100 per cent FDI can be utilised in facilities like cleaning up trains and installation of bio-toilets in passenger coaches and setting up of mechanised laundry facilities.
- **India agrees with US on food stockpiling, clears way for WTO deal:** India has reached an agreement with the United States on public stockpiling of food on Thursday, paving the way for the implementation of a global trade facilitation deal that has been stalled for months. "India and the United States have resolved their differences on public stockholding of food," Nirmala Sitharaman said. "This opens the way for implementation of the WTO trade facilitation deal."
- **Australia and India sign agreement to enhance skill development:** AUSTRALIA and India will further strengthen bilateral cooperation on skill development. India has also decided to expand the capacities of 12,000 industrial training institutes. A Memorandum of Understanding has been signed between the National Skill Development Corporation, India and TAFE Directors, Australia, on technical and vocational education and training cooperation. The purpose is to further strengthen cooperation to enhance and extend bilateral cooperation. The aim is to contribute positively to the development of technical and vocational education and training related linkages between India and Australia.
- **FinMin revises duty drawback rates:** The Finance Ministry has come up with revised all-industry rates (AIR) of duty drawback, effective Saturday. The Central Board of Excise and Customs (CBEC) said under the revised rates, drawback caps will continue on most tariff items, with AIR above 2 per cent. Duty drawback payments are made to exporters to compensate them for the customs and excise duties paid on the inputs used in the manufacture of exportable products.

- **New duty drawback rates notified for exporters:** GOVERNMENT has notified new duty drawback rates to exporters on the duties they pay on imports. While there are no major changes in the new rates, small tweaks have been made in rates pertaining to sectors such as engineering goods, textiles, carpets and certain stationery items. This comes at a time when merchandise exports contracted 5% to USD 26 billion while imports grew 3.6% to USD 39 billion.
- **Government of India sets up USD 2.42 billion fund to boost shipbuilding industry:** GOVERNMENT of India (GoI) would support the shipbuilding industry with a dedicated fund of USD 2.4 billion, that will be handled by Exim Bank. The fund will be utilized for financing the construction, and refitting and repair of ships. The shipbuilding sector has a tremendous potential to emerge as a strong foreign currency earner for the country. Recently the government had also announced that it will be acquiring three liquefied natural gas (LNG) carriers locally, as part of a programme to acquire 11 such ships.
- **IREDA & US-Exim Bank Sign MoU :** A Memorandum of Understanding (MOU) has been signed between Indian Renewable Energy Development Agency Ltd (IREDA) and US Exim Bank for cooperation on clean energy investment. This MoU will establish a framework for cooperation in the financing of creditworthy entities for renewable energy projects and to facilitate the export of goods and services of U.S. origin or manufactured in India and various forms of collaboration between the IREDA & US-Exim Bank. US Exim Bank shall provide USD 1 billion medium and long-term guaranteed and/or direct dollar loans to finance U.S. technologies, products and services utilized during commercial development activities within the clean energy sector by IREDA.
- **Railways unveil policy allowing private parcel trains:** INDIAN Railways will allow privately owned and run parcel trains. The policy aims at boosting investment in this vital infrastructure sector through public-private partnership (PPP) mode. The ministry of railways issued the new policy to meet the future demand of traffic and thereby increase market share. As per the scheme comprising different categories, Category I would include general service parcel vans of minimum 20 wagons and maximum 24 and Category II would have special purpose vehicles like refrigerated vans, milk tankers etc of 15 or 24 wagons. A rake with mix of both categories will also be allowed to operate.
- **Framework for Security Cooperation between India and Australia:** INDIA and Australia have agreed on a framework for security cooperation to reaffirm the bilateral strategic partnership according to which both sides would strengthen defence cooperation and also cooperate on civil nuclear energy and maritime security. Both sides would cooperate in counter-terrorism and other transnational crimes, through cooperation in training and exchange of experts, exchanges on counter-radicalization, cooperation on extradition and mutual legal assistance requests and exchanges on cyber policy. Both would also cooperate on border protection, coast guard, and customs through exchanges and cooperation between the Indian Coast Guard and Australian border protection authorities.
- **India and USA sign infra development agreement:** INDIA and the US have signed a Memorandum of Understanding (MoU) for putting in place an infrastructure

collaboration platform that will help the US industry to participate in projects in India. This MoU establishes a United States-India Infrastructure Collaboration Platform, under which both the governments intend to coordinate and cooperate with the goal of facilitating U.S. industry participation in Indian infrastructure projects to improve the bilateral commercial relationship.

- **Indian Railways and Republic of Korea Sign MoU:** A Memorandum of Understanding (MoU) has been signed between the Ministry of Railways, Government of India and the Ministry of Land Infrastructure and Transport of the Government of Republic of Korea. The MoU would enable technical assistance and cooperation between the Railways of the two countries on areas such as high speed rail, modernization of rolling stock, railway operations, modernization of signaling, construction & maintenance technologies and in development of logistics parks/terminals.
- **Government initiatives for investment in hydro power development:** GOVERNMENT has taken a number of initiatives to boost hydro power development and hydro-power projects in order to meet the country's power requirements. Policy initiatives like National Electricity Policy, Hydro Power Policy, National Rehabilitation & Resettlement Policies and National Tariff Policy have been announced. At present there are 188 hydro stations with a total installed capacity of about 40,800 MW under operation. The total hydro capacity in India at the end of 12th Plan is likely to be around 50,000 MW.
- **Ministry of Textiles approve usage of geotechnical textiles in north east region:** MINISTRY of Textiles has approved a scheme for promoting usage of geotechnical textiles in the north east region. The scheme has a financial outlay of USD 67 million for five years from 2014-15. The use of this modern and globally proven technology will help in creating roads and infrastructure in North East, which will require less maintenance and shall have longer life. The scheme will be driven by Textile Ministry's Centers of Excellence and will also provide technological support, capacity building, training, market development support and create awareness about geotextiles by supporting the entire supply chain.
- **India and Russia sign two agreements for Kudankulam project:** INDIA and Russia have signed two agreements which for starting units 3 and 4 of the Kudankulam nuclear power project. A strategic vision for strengthening cooperation on uses of atomic energy between the two countries which envisages a roadmap of bilateral cooperation in the civil nuclear energy sector for the next two decades has also been signed. This also includes the construction of additional Russian-designed nuclear power units in India, cooperation in research and development of innovative nuclear power plants and localisation of manufacturing of equipment and fuel assemblies in India. Russia and India will also explore opportunities for sourcing materials, equipment and services from Indian industry for the construction of Russian-designed nuclear power plants in third countries.

FORTHCOMING EVENTS >>>> *INDIA*

I. India Stonemart

Date: 29 January-01 February, 2015

Venue: Jaipur (Rajasthan), India

Organizer: The Centre for Development of Stones (CDOS) along with the Federation of Indian Chambers of Commerce and Industry (FICCI)

Contact : www.stonemart-india.com / www.cdos-india.com .

Details: India Stonemart 2015 would be the largest international exposition on stone industry which would showcase the world of natural dimensional stones, ancillary products and services comprehensively. The event would bring together various stakeholders of the stone industry viz domestic and overseas producers, exporters/importers, consumers, buyers, experts, builders, technology providers, architects under one umbrella.

In this regard the organizer would like to invite prominent stone sector companies, importers/ exporters of stones, architects, builders etc. from Singapore to attend the event. **Please note that the organizers would consider providing hospitality to the visiting buyers/trade delegations**

II. Signature 2015

Date: 20-23 February, 2015

Venue: Bombay Exhibition Centre, Mumbai

Organizer: The Gem & Jewellery Export Promotion Council

Contact : Mr. Vikrant Pradhan, Asst Director, Email: vikrant@gjepcindia.com

Details: GJEPC is organizing Signature 2015 which will feature 550+ leading Indian companies which will render plenty of sourcing opportunities for all types of gems & jewellery items like loose diamonds and gemstones, gold jewellery, studded jewellery, an exclusive Signature Club for couture collection & International Section to showcase the best of the international manufacturers.

III. Assam International Trade & Industrial Fair-2015

Date: 19-25 February, 2015

Venue: Jorhat, Assam, India

Organizer: Federation of Industry & Commerce of North Eastern Region (FINER) in association with Department of Industries & Commerce, Government of Assam

Contact : www.finer.in

Details: The main objective of the fair is to provide a platform for business opportunities and enterprise building with national and international markets. The fair will also provide insight and direction to entrepreneurial aspirations, exposure to new and latest technologies in industry and service sector, showcase new products and technologies, showcase local products to enable trade partnerships and new business opportunities.

IV. India International Hand woven Fair

Date: 11-13 March, 2015

Venue: Chennai, India

Organizer: Handloom Export Promotion Council (HEPC) under the aegis of Development Commissioner for Handlooms, Ministry of Textiles, Government of India

Contact : www.iihfchennai.com

Details: Handloom Export Promotion Council (HEPC) under the aegis of Development Commissioner for Handlooms, Ministry of Textiles, Government of India is organizing the 5th Edition of India International Handwoven Fair (IIHF), from 11th to 13th March, 2015, at Chennai Trade Centre, Chennai, India. In this regard the Council would like to invite prominent buyers of the above mentioned products in Singapore to attend this event. Selected Buyers will be eligible for the following complimentary package:

- Economy class onward and return airfare.
- Hotel accommodation for three nights during the fair

II. Gujarat International Handloom & Handicraft Meet "GURJARI 2015"

Date: 27 February to 1 March, 2015

Venue: Ahmedabad (Gujarat), India

Organizer: Gujarat State Handloom & Handicrafts Development Corporation Ltd and Federation of Indian Chambers of Commerce and Industry (FICCI)

Contact : Col V Kodikal, Reg Director, Email: vivek.kodikal@ficci.com

Details: GURJARI 2015 is a comprehensive buyer seller meet on Handloom and Handicraft which aims at showcasing Gujarat's expertise in handlooms and handicrafts. It showcases the best and latest products in handicrafts, handloom, textiles, jewellery, apparels & accessories, carpets , leather paintings, gift ideas, home décor & toys. In this regard the organizers would like to invite prominent buyers of the above mentioned products in Singapore to attend this event. Selected Buyers will be offered the following hospitalities:

- Economy class onward and return airfare.
- Hotel accommodation on boarding and breakfast basis at a 5 star hotel in Ahmedabad for three nights during the fair
- Surface transport at Ahmedabad during the event

Notifications

Securities and Exchange Board of India

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

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

Modification to Offer for Sale (OFS) of Shares through stock exchange mechanism

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1417587496337.pdf

Conditions for issuance of Offshore Derivative Instruments under SEBI (Foreign Portfolio Investor) Regulations, 2014

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1416827082538.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

Overseas Investments by Alternative Investment Funds (AIF)

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

'Know Your Customer' (KYC) Guidelines /Anti-Money Laundering Standards (AML) / Obligation of NBFCs under Prevention of Money Laundering Act (PMLA), 2002 Obligation of NBFCs – Amendment to Prevention of Money-laundering (Maintenance of Records) Rules 2013

http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=9371&Mode=0

Ministry of Finance

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

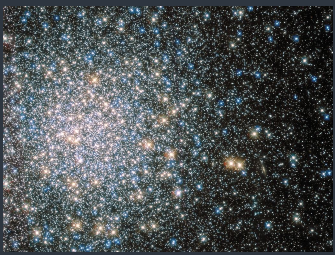
http://finmin.nic.in/press_room/2014/AuctionSale15122014.pdf

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

India to Make 'Iris' for Biggest Telescope to Search Life beyond Solar System

IBT, Jan 5, 2015



India will be making the "iris" for the biggest eye . India will manufacturing the sensors & actuators.

The Thirty-Metre Telescope (TMT), being constructed jointly by five nations, will be placed atop the Hawaiian volcanic dome of Mauna Kea and will search for life beyond the solar system, The Economic Times reports.

India, along with China, Japan, Canada and United States will be jointly working in the making of the $1.4 billion TMT project. India signed as a full member for the project almost a month ago and Canada will be signing as the full member sometime in 2015.

While Japan will be manufacturing the body – structure – of the telescope, Canada will put in place the dome. The US and China will make the primary mirror segments and tertiary mirror, respectively. The Indian Institute of Astrophysics, Aryabhatta Institute of Observational Sciences (ARIES), Nainital and Inter-University Centre for Astronomy and Astrophysics (IUCAA) will together work towards constructing one of the most crucial parts of the telescope.

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. What is meant by Sponsored ADR & Two-way fungibility Scheme of ADR/ GDR?

Ans. Sponsored ADR/GDR: An Indian company may sponsor an issue of ADR/ GDR with an overseas depository against shares held by its shareholders at a price to be determined by the Lead Manager. The operative guidelines for the same have been issued vide A.P. (DIR Series) Circular No.52 dated November 23, 2002.

Two-way fungibility Scheme: Under the limited Two-way fungibility Scheme, a registered broker in India can purchase shares of an Indian company on behalf of a person resident outside India for the purpose of converting the shares so purchased into ADRs/ GDRs. The operative guidelines for the same have been issued vide A.P. (DIR Series) Circular No.21 dated February 13, 2002. The Scheme provides for purchase and re-conversion of only as many shares into ADRs/ GDRs which are equal to or less than the number of shares emerging on surrender of ADRs/ GDRs which have been actually sold in the market. Thus, it is only a limited two-way fungibility wherein the headroom available for fresh purchase of shares from domestic market is restricted to the number of converted shares sold in the domestic market by non-resident investors. So long the ADRs/ GDRs are quoted at discount to the value of shares in domestic market, an investor will gain by converting the ADRs/ GDRs into underlying shares and selling them in the domestic market. In case of ADRs/ GDRs being quoted at premium, there will be demand for reverse fungibility, i.e. purchase of shares in domestic market for re-conversion into ADRs/ GDRs. The scheme is operationalised through the Custodians of securities and stock brokers under SEBI.

Source: RBI

For Feedback & Comments, please contact:

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