Singapore PM wants to see India involved ‘vigorously and actively’ in region beyond Indian Ocean

PTI | Singapore | July 19, 2016

Singapore Prime Minister Lee Hsien Loong said he wants to see India involved “vigorously and actively” in the region beyond the Indian Ocean for trade, communications and stability.

“You (India) have an interest in the wider region but you have not pursued it as vigorously as the other powers have,” Lee said in his address to delegates at the South Asian Diaspora Convention (SADC).

“Your foreign service is perhaps proportionally smaller than it ought to be,” he said, adding India’s focus so far has been on the South Asian subcontinent affairs.

“If you pursue your interests more vigorously and actively beyond the subcontinent, in fact, beyond the Indian Ocean, you should be a great trading country,” the prime minister said. Pointing out the stability of the region, he said the lines of communication... Cont on P. 11

53% jump in FDI inflows in last two years: Arun Jaitley

PTI | Jul 29, 2016, 01.33 PM IST

India saw a record 53 per cent increase in FDI in last two years as the investment climate brightened due to steps taken to foster growth, price stability and fiscal prudence which also improved the overall macroeconomic stability, government said on Friday.

Emphasising that investments are not made for "charity", Finance Minister Arun Jaitley told the Lok Sabha that improving the ease of doing business was a "work in progress". In the last two years, there has been 53 per cent rise in FDI into the country, which is a record high, Jaitley said during Question Hour, adding that "comprehensive reforms in FDI have resulted in the highest ever FDI inflow in 2015-16".

"Steps taken by the government to foster economic growth, price stability and fiscal prudence have improved the overall macroeconomic stability, which brightens the investment climate in the country," the Minister said. He said when private sector is stressed, then the two engines of investments are the government and foreign sources. Cont on P. 2

Cabinet increases the limit for foreign investment in stock exchanges from 5% to 15%

Press Information Bureau: July 28, 2016

New Delhi: The Union Cabinet chaired by the Prime Minister Shri Narendra Modi has given its approval for raising foreign shareholding limit from 5% to 15% in Indian Stock Exchanges for a stock exchange, a depository, a banking company, an insurance company, a commodity derivative exchange. The Cabinet has also approved the proposal to allow foreign portfolio investors to acquire shares through initial allotment, besides secondary market, in the stock exchanges.

The move will help in enhancing global competitiveness of Indian stock exchanges by accelerating/facilitating the adoption of latest technology and global best practices which will lead to overall growth and development of the Indian Capital Market. The approval is in pursuance of implementation of the Budget Announcement made by the Finance Minister Shri Arun Jaitley while presenting the Union Budget 2016-17 regarding reforms in FDI Policy with respect to enhancement of investment limit for foreign entities in Indian stock exchanges from 5% to 15% on par with domestic institutions.
Emphasising that the government has taken various steps in the last two years to attract foreign and domestic investors, Jaitley said that among others they needed a "reasonable and predictable tax regime".

Many sectors have been opened up for Foreign Direct Investment over the years starting from 1991. In addition to opening up more sectors for FDI, related conditionalities have been smoothed ened by this government, the Minister said. Improving the ease of doing business is a "work in progress", he said, adding that measures have also been initiated to ensure that the system itself is more transparent.

"The government's systematic focus on economic growth and macroeconomic stability and the measures taken in this regard have made India one of the fastest growing major economies in the world," the finance minister said. Explaining the fall in net capital inflows from the rest of the world in 2014-15 compared to the previous two financial years, he said FDI was just one component of it. The total figure also includes portfolio fund flows, external commercial borrowings as well as borrowings from multilateral agencies.

The loans taken have come down and hence the net capital inflow has reduced even as FDI has increased, Jaitley added.

Minister of state for finance Arjun Ram Meghwal said gross savings accounted for 96.3 per cent share in financing gross capital formation in 2014-15 which is a sign of strength.

The share stood at 95.2 per cent in 2013-14 and 87.6 per cent in 2012-13, he added.

**Fitch expects India's GDP to grow at 7.7%; affirms ratings**

**HT Business:** July 20, 2016

Mumbai: Global rating agency Fitch has affirmed India’s sovereign ratings at ‘BBB-‘ as India exhibits one of the highest real GDP growth rates in the sovereigns space. The economic growth rate is expected to accelerate to 7.7% in the current fiscal, the ratings agency said late on Monday.

“‘Its five-year average growth is among the 10 highest of all rated sovereigns and the 7.6% real GDP growth in the financial year ended March 31, 2016 exceeds the ‘BBB’ category median of 3.3%,” the rating agency said.

Fitch also raised various concerns, including weak private investment and monetary policy transmission.

“The affirmation of India’s sovereign ratings balances a strong medium-term growth outlook and favourable external balances against a weak fiscal position and still-difficult business environment. “However, the latter is likely to gradually improve with implementation and continued broadening of the government’s structural reform agenda,” it said in a statement.

India’s relatively strong external balances make the country less vulnerable to external shocks than many of its peers. The foreign reserves buffer is solid at 8.3 months of current external payments, it added.

The ratings agency forecasts real GDP growth to slightly accelerate to 7.7% in 2016-17, and 7.9% in 2017-18, resulting from an expected pick-up in consumption in both urban and rural areas after a civil-servant wage hike of 24%, and the strong likelihood of stronger rainfall than in the previous two poor monsoon years.

Further, apart from structural reforms, passage of key bills, including Goods and Services Tax (GST) in Parliament, slowing inflation, and policy rate cuts of 1.50% in total since January 2015, may also contribute to growth, even though weak bank balance sheets continue to impair monetary transmission. At the same time, weak private investment indicates that the economy is still not firing on all cylinders.

India is also less vulnerable to a severe slowdown scenario in China, as India’s exports to China comprise only 3.5% of total exports and its more domestically based economy is not part of the Asian supply chain.

**Make in India push: Cabinet approves doing away with separate guidelines for establishing JV companies by Defence PSUs**

**FE Online | New Delhi | Updated: July 27, 2016 9:58 PM**

In line with promoting ‘Make in India’ and self-reliance in the defence sector, PM Narendra Modi-led Cabinet today approved abolition of separate guidelines for establishing Joint Venture companies by Defence PSUs. “These guidelines which were notified in February, 2012 will not be required for separate JV by the DPSUs,” the government release said. Now, the guidelines
which are issued by the Department of Public Enterprises and Ministry of Finance, and which are applicable to all Central Public Sector Enterprises will apply on Defence PSUs for setting up JV companies.

There are currently nine defence PSUs; Hindustan Aeronautics Limited, Garden Reach Shipbuilders & Engineers, Bharat Dynamics Limited, Mazagon Dock Limited, Goa Shipyard Limited, Hindustan Shipyard Limited, Bharat Electronics Limited, Bharat Earth Movers Limited and Mishra Dhatu Nigam Limited – and all of them will benefit with this decision. The government is of the opinion that abolition of separate guidelines will ensure a level playing field between defence PSUs and private sector. "This will allow Defence PSUs to forge partnerships in an innovative manner, enhancing self-reliance in defence, and provide for their enhanced accountability and autonomy," the government said.

The decision as arrived at after the Department of Defence Production felt that with increasing participation of private industry in the sector and the transformation of defence acquisition eco system, separate guidelines are not required. With increasing focus on indigenous manufacturing and ‘Make in India’, multiple set of guidelines may lead to ambiguity and incongruity, felt the government. The government is hopeful that this step will give impetus to defence manufacturing and especially enhance the prospects for defence PSUs.

**Start-ups will now only need eligibility certificate from govt for IPR benefits**

Sun, 24 Jul 2016-08:15am , New Delhi ; PTI

To improve ease of doing business, Commerce and Industry Minister Nirmala Sitharaman said a start-up would now need only a certificate of recognition from the government to avail IPR-related benefits. Earlier, a budding entrepreneur had to go through an elaborate process of approaching an inter-ministerial board to procure the Intellectual Property Rights (IPR) benefits.

"A start-up would now require only a certificate of recognition from the Department of Industrial Policy and Promotion (DIPP) and would not be required to be examined by the inter-ministerial board, as was being done earlier. This is one rapid change that we have brought in," she said here at the 'Start-up India States' Conference'.

Under the 'Start-up India' action plan, the government has announced three-year tax holiday and other benefits to these entrepreneurs. She also said that the ministry has lined up a series of meetings with different stakeholders, including investors to resolve start-up issues. She will also meet investors, industry and journalists soon.

Commenting on views of some critics about interference of government in implementing the action plan for start-ups, particularly on extending tax holiday, Sitharaman said the government is committed to facilitate young entrepreneurs.

The Minister also said that seven proposals for research parks, 16 for TBIs (Technology Business Incubators) and 13 proposals for Start-up Centres have been recommended by the National Expert Advisory Committee formed by the Human Resource Development Ministry.

"These proposals will be implemented in the current financial year itself," she added.

To obtain tax and IPR related benefits, a start-up shall be required to be certified as an eligible business from the inter-ministerial board of certification. The board consists of DIPP Joint Secretary, representative of Department of Science and Technology; and Department of Bio-technology. Sitharaman asked all the stakeholders to regularly provide inputs to further improve the start-up ecosystem to give it an impetus.

India is ranked third in the world, behind the US and the UK in terms of number of start-ups. Close to 4,400 technology start-ups exist in India and the number is expected to reach 12,000-plus by 2020, driven by a young and diverse entrepreneurial ecosystem, she said. On the rate of success of start-ups, she said: "World-over, the success rate is not very high. But that is the nature of the business. Rate of success is beyond the government. What the government, however, can do is to give a chance to every idea to reach some stage and give facilitation.. Cont on P. 5
India Inc's business optimism for July-September touches 8-quarter high: D&B

Press Trust of India | New Delhi July 18, 2016 Last Updated at 14:28 IST

India Inc's business optimism for the July-September period touched an eight quarter high driven by initiatives like the clearance of Bankruptcy Code and reforms in Foreign Direct Investment (FDI) front, says a report.

According to Dun & Bradstreet (D&B), India Inc's business optimism stood at a 8-quarter high in the July-September period, while optimism for net profit was at a 7-quarter high.

"The focus of the government on policy certainty, predictability and continuity has given a strong boost to business confidence in India Inc," Kaushal Sampat, President & Managing Director (India) D&B, said.

The D&B Composite Business Optimism Index (BOI) stood at 83.2 during third quarter of 2016, an increase of 6.7% as compared to the corresponding period of last year.

"The sweeping reforms on FDI, the clearance of Bankruptcy Code, National Policy on Capital Goods and the launch of National IPR (Intellectual property rights) policy reflect the government's firm intent on boosting the investment climate and improving the 'ease of doing business' scenario in India," Sampat added.

Moreover, the fall in stalled/shelved projects, pickup in new orders in sectors such as road, railways and power and marked increase in parliamentary productivity have also buoyed the confidence level of Corporate India, Sampat said.

Meanwhile, the progress of the monsoon and the geographical spread of rains augur well for rural demand.

"The government's continued commitment to reforms, particularly the potential passage of the GST (Goods and Services Tax) Bill during the Parliament's Monsoon session, will be transformational in improving business confidence and stimulating investment," he added.

For calculating the composite BOI, each of the six parameters – net sales, net profits, selling prices, new orders, inventories and employee levels – is assigned a weight. The parameter weights are then applied to these ratios and the results aggregated to arrive at the Composite BOI.
Cont from P. 3 and tax breaks,” she said.
She also said that the DIPP has written to top 50 companies requesting them to support the initiative under their CSR activities by setting up new incubators in collaboration with educational institutes.

Five states including Rajasthan, Kerala, Telangana, Karnataka gave detailed presentation about their initiatives to boost start-up ecosystem.

"Every state is working for start-ups and it’s not like these five states only are working,” Sitharaman said.

In January, Prime Minister Narendra Modi unveiled a slew of incentives to boost start-up businesses, offering them a tax holiday and inspector raj-free regime, capital gains tax exemption and Rs 10,000 crore corpus to fund them.

India receives $5.34 billion FDI in April-May

PTI

New Delhi: India received $5.34 billion foreign direct investment (FDI) in the first two months of the current financial year, Parliament was informed on Friday.

During April-May the country attracted $4.76 billion FDI under automatic route, while $582 million came through the approval route, minister of state for finance Arjun Meghwal said in a written reply to the Lok Sabha. He said the government has made changes in the FDI policy in several sectors “to ensure that India remains increasingly attractive and investor friendly investment destination”.

The government has relaxed FDI policy in sectors like defence, pharmaceuticals, aviation, food retailing and broadcast. During the two months, defence received no FDI, while pharmaceuticals attracted $452.86 million foreign inflows.

The other sectors include air transport ($5.65 million), information and broadcasting ($39.2 million) and retail trading ($7.94 million). Replying to a separate question, Meghwal said in the first quarter, April-June, of 2016-17 foreign portfolio investors pumped in Rs.10,4561 crore. “To attract global investor, a number of reforms were taken in the FDI policy and FPI policy,” he added.

India allows 74 Percent Foreign Direct Investment in Pharma Sector

FDI in Brownfield pharma sector has been permitted upto 74% under automatic route; and FDI beyond 74% and upto 100% is allowed under Government approval route. The move to permit 74% FDI under automatic route in Brownfield pharmaceutical sector is aimed at attracting required capital, international best practices and latest technologies in the sector. Further, 100% FDI under automatic route is permitted for Greenfield pharma sector.

The Government while reviewing FDI policy on pharma sector has put in place necessary safeguards by providing that non-compete clause would not be permitted. This will enable Indian promoters to operate in the same line of business in new ventures. Further, to ensure domestic availability of essential medicines and drugs; and to maintain deployment of adequate capital in R&D, extant FDI policy on the sector mandates specified level of production of National List of Essential Medicine drugs and extent of R&D expenditure to be maintained by the investee company.

Both Greenfield and Brownfield investments are in line with the initiative of ‘Make in India’ and thus there is no proposal under consideration of Government to restrict such investments only to Greenfield project.

This information was given by the Minister of State (Independent Charge) in the Ministry of Commerce & Industry Smt. Nirmala Sitharaman in a written reply in Rajya Sabha.

CBEC plans to speed up cargo clearances

A paperless window for importers, more container scanners at ports to ensure non-intrusive scrutiny and faster clearance of goods may
FDI in India on a roll as country opens up to foreign investment


Among a slew of recent initiatives to promote inward investment, the Indian cabinet yesterday approved raising of the foreign shareholding limit from 5% to 15% in Indian stock exchanges. A depository, a banking or insurance entity or a commodity derivative exchange will be among those allowed to raise stakes. The cabinet has also approved the proposal to allow foreign portfolio investors to acquire shares through initial allotment, besides the secondary market, in stock exchanges. “The move will help in enhancing global competitiveness of Indian stock exchanges, by accelerating/facilitating the adoption of latest technology and global best practices,” the government stated on Wednesday evening.

Currently, leading foreign shareholders in the National Stock Exchange are GS Strategic Investments, SAIF II SE Investments Mauritius, Gagil FDI Ltd (Cyprus) and Aranda Investments (Mauritius) Pte. Each of these holds five 5%. Meanwhile, the BSE exchange’s top foreign shareholders are Singapore Exchange and Deutsche Boerse AG, with 4.7% each.

The composite cap for foreign investment in stock exchanges is 49% and any of these investors may now individually raise their stake to 15%.

The move follows on from the Indian Department of Industrial Policy & Promotion (DIPP’s) announcement of sweeping changes to its foreign direct investment policy with the release of Press Note 5 (2016 series). The new measures bring further liberalisation in nine key sectors, including allowing 100% FDI in defence, civil aviation and food processing. The need for prior government approval for up to 74% FDI brownfield investment in pharmaceutical companies has also been removed. FDI in India is expected to be worth $1590m by the end of this quarter, according to Trading Economics global macro models and analysts expectations, volume projected to trend around $2028.64m by 2020, with the new crop of reforms to the FDI rules likely to result in a significant increase in investment inflows.

Full foreign ownership in ‘single brand’ retail trading is permitted (up to 49% FDI is allowed under the automatic route with government approval needed beyond that). Where FDI exceeds 51%, there is a local sourcing requirement for 30% of the value of goods purchased, preferably from MSMEs, village and cottage industries, artisans and craftsmen.

Under the new amended rules, entities undertaking single-brand retail trading involving ‘cutting edge and state-of-the-art technology’ can be exempted from the local sourcing requirement for three years, with an option to extend this by another five years.

As well, full foreign ownership of arms-making projects will now be allowed but this will be subject to government approval. However, the move has met with a wall of opposition from both political parties and the defence sector which claim that Indian security will be compromised and therefore reliance on this element of the reform package should be cautious.

Even so, the government says it wants to allow foreign investment beyond 49% under the government approval route. Full ownership (100% FDI) has already been been allowed in cases where ‘state-of-the-art technology’ was brought into the country. However, the government has now removed this condition and will consider cases which bring ‘modern technology’ into India.

The FDI limit in scheduled commercial airlines has also been raise to 100% from 49%. Foreign airlines, however, are barred from holding equity stakes in Indian carriers above 49%. Foreign investment of up to 49% however is allowed under the automatic route in scheduled air transport service/domestic scheduled passenger airlines and regional air transport services and airports under the rules governing greenfield and brownfield projects. Equally, the pharmaceutical sector now will enjoy the
FDI in India on a roll as country opens up to foreign investment

same flexibility, as it is now possible to fully own existing pharma companies or brownfield units provided any FDI beyond 74% is subject to government approval. Full ownership is now allowed in greenfield projects under the automatic route. Foreign pharma companies up to now have needed approval from the government to buy into an Indian entity; often a highly bureaucratic and time-consuming process. Now though, foreign pharma companies or financial investors that buy up to 74% of an Indian pharma company can bypass this process entirely.

However, the government has put in place what it deems to be “safeguards” by providing that non-compete clauses will not be allowed in the country. This will enable Indian promoters to operate in the same line of business in new ventures, should they wish to. As well, to ensure the availability of essential medicines and drugs and ensure deployment of sufficient capital in R&D, the rules mandate specified production levels of what are deemed essential drugs. R&D investments will also be regulated.

Other decisions have included allowing 100% FDI direct-to-home products, cable networks and mobile TV under the automatic route. The government has also removed ‘controlled conditions’ for FDI in animal husbandry, pisciculture, aquaculture and apiculture. Until now, full ownership by foreign firms was allowed, but only under controlled conditions. Domestic scheduled passenger airlines and regional air transport services and airports under the rules governing greenfield and brownfield projects.

Cont from P. 5 soon be here as part of the Central Board of Excise and Customs’ (CBEC) ambitious plan to ensure cargo clearances happen within hours rather than days.

On 1 April, CBEC had brought several government agencies under a single-window interface and replaced separate documents with an integrated declaration for facilitating trade. This ensured that importers could get all clearances from customs as well as agencies like the Food Safety and Standards Authority of India (FSSAI) and plant and animal quarantine agency, wildlife crime and control bureau through a single online window, rather than approaching them separately.

CBEC is now planning to make the entire system paperless by doing away with the need for physical documentation. It is also planning to bring in more government agencies to the six that are already a part of the window. This will ensure that the time taken for imported cargo to secure clearances from various departments will come down sharply. Importers will also not need to physically submit the documents in customs offices but will be able to upload them in a PDF format online, customs officials said.

The department has also initiated direct port to warehouse delivery for those importers with a good track record. But at the same time, to ensure a balance between facilitation and checking smuggling, it is using more container scanners at ports. A container scanner does away with the need to physically open the goods for checking and gives a clear picture of the contents of a container.

“The plan is to become as non-intrusive as possible but at the same time, keep a check on illegal activities. We have managed to reduce the dwell time over the last few years (the time taken for a shipment to get all clearances at a port),” said Rajeev Tandon, chief commissioner of customs who oversees operations at Nhava Sheva.

The customs department has around 10 scanners at various ports and plans to add another 44 by the end of the year. Of these, while 11 will be owned by the customs department, the remaining will be procured by private ports and operated by the customs officials. This is expected to address the capacity constraints faced by customs.

The largest container handling port in India—Nhava Sheva Port, also known as Jawaharlal Nehru Port—handled more than 4.49 million TEUs (twenty foot equivalent unit) of cargo in 2015-16. However, only around 6% of the cargo was screened with its two scanners. “Importers can access their goods much earlier now as compared to before. The time taken for clearances has come down to around three days from more than 9-12 days before,” said Ashish Pednekar, president of the Brihanmumbai Custom House Agents’ Association. The customs agents act as a bridge between importers and exporters and the customs department and facilitate movement of cargo.
India continues to be attractive for foreign investors

Hindustan Times, Mumbai

There is a growing consensus that India’s equity markets have become expensive post the rally over the past few months, but foreign institutional investors (FIIs) continue to pour in money. FIIs have invested Rs 6,450 crore in Indian equities so far in July. Since January, their investments have topped Rs 25,600 crore, according to data from depositories against the Rs 17,808-crore FIIs invested in the whole of 2015.

Fund managers and brokerages say a pickup in India’s economy and a good monsoon, which would boost consumption, make India attractive, even during the time when economic uncertainties continue globally, particularly in the wake of Britain’s decision to exit the European Union. “India is one of few emerging market economies to have completed the painful macro adjustment process and is on a path of recovery. The growth recovery is becoming more broad-based, driven by public capex, FDI (foreign direct investment) and consumption,” said Chetan Ahya, MD, Morgan Stanley Asia. “Improved macro-stability conditions should minimise the impact from external uncertainties.”

Morgan Stanley has raised India’s economic growth estimates to 7.7% from 7.5% for calendar 2016. Apart from better economic prospects, signs of earnings bottoming out in a few sectors, is another strong reason. “Through 2015, India saw the worst earnings progression in Asia, with all sectors’ estimates secularly declining. Some have clearly turned around now – consumer discretionary, materials and utilities. We also see signs of earnings bottoming out in industrials,” said Manishi Raychaudhuri, Asia Pacific equity strategist at BNP Paribas.

The strong FII flows, coupled with continued investments by domestic institutional investors, have led to India’s equity market rallying sharply. The Bombay Stock Exchange’s (BSE’s) benchmark Sensex is up 6.4% since the beginning of the calendar year. Equity markets fell sharply in January and February, tracking a drop in global equities. However, since the budget was announced on February 29, the Sensex has surged near 21%.

Macquarie too remains “overweight” on India, although it is concerned that valuations in India at 17 times, “could be highly-vulnerable to a pullback” if investors’ trust in longer-term earnings power is misplaced. While, Credit Suisse also remains positive on India, saying the monsoon should reduce inflationary pressure and provide room for monetary policy easing, it would “await for a better entry level as valuations appear rich at a 12-month forward price to equity (P/E) ratio of 17.2,” the investment bank said.

OVL raises US$ 1 billion in largest Indian bond float of 2016

Times of India: July 22, 2016

New Delhi: ONGC Videsh Ltd, the overseas acquisition arm of state-run explorer ONGC, has raised $1 billion through a dollar-denominated bond issue, the largest float size achieved by an Indian corporate this year. The money has been raised in two packs of $600 million and $400 million with 10 year and 5.5 year maturity, respectively, and will be used to fund acquisition of a 15% stake in Russia’s second biggest oil field Vankor.

The 10-year papers have been issued at a coupon rate of 3.75% and those with 5.5-year maturity carry an interest rate of 2.875%. ONGC Videsh would use the proceeds to refinance a $1.2 billion bridge loan taken in May at 1.3% interest from a group of foreign banks to pay for the Vankor deal.

The rate of interest on the latest bond float by ONGC Videsh nearly reflects levels seen in 2013 and lower than 4.6% the company paid on a $2.2 billion 10-year bond issue in July 2014 to finance its acquisition of a stake in Mozambique’s Rovuma-I field. The bonds were oversubscribed by more than two times across 185 participating investor accounts, indicating the robustness of the company’s balance sheet. The issue saw a large geographic spread, drawing interest of fund managers, banks, private banks and sovereign wealth funds from Asia, Europe and offshore US accounts. OVL had sealed the Vankor stake deal with Kremlin-backed Rosneft, the world’s largest publicly-traded oil producer, in September last year for nearly $1.3 billion. It inked another preliminary deal to acquire an additional 11% in the field and is working on closing it.
Govt plans to create 10 solar zones across India by 2021

Livemint: July 22, 2016

New Delhi: The Indian government is aiming to create 10 solar zones across the country by 2021, which will each cover an area of 10,000 hectares of wasteland.

India plans to set up 100,000 megawatt (MW) of solar power capacity by 2022 and the latest initiative is aimed at showcasing such zones as a flagship facility to encourage project developers and investors.

In June 2015, the government increased India’s solar power target fivefold to 100,000 MW by 2022.

The 10,000 hectares of land required for every solar zone could be government owned or privately owned wasteland, uncultivable or fallow land. The ministry of renewable energy would extend an overall financial assistance of Rs.44 crore for the solar zones.

The solar zones will enable states to bring in significant investment from project developers, meet their Solar Renewable Purchase Obligation mandate and provide employment opportunities to local populations, according to the ministry.

“The state will also reduce its carbon footprint by avoiding emissions equivalent to the solar zones’ installed capacity and generation. Further, the state will also avoid procuring expensive fossil fuels to power conventional power plants,” the ministry said.

To showcase the synergy between various sources of renewable power, a solar zone will also display areas of synergy with other renewable energy sources, such as wind and solar, for hybridisation.

All states and union territories are eligible to take part in the scheme. The solar zones will be developed in collaboration with the state government and their agencies.

According to a letter sent to all states by the central government informing them of the scheme, the state governments applying for the scheme will have to designate an agency for development of solar zones and also carry out a survey to identify land for such zones. After this, the central government’s Solar Energy Corporation of India (SECI) will work with states to finalise the zone.

India is more than capable of achieving its 100 Smart City goal: Singaporean financial firm

By: PTI | Posted On: 27, Jul 2016 | 2:59 PM

India is more than capable of achieving its 100 Smart City goal but needs a “collaborative” and focussed approach to complete the ambitious plan, a top executive of a leading global Financial services company has said.

“With its ambitious plan, it is more crucial than ever for India to stay realistic and focused. (For) Smart city planning and development, India needs a collaborative approach of shared technology, expertise, learning and governance. That is what India needs to keep focused on to meet their 100 Smart City goal,” said Hany Fam, executive vice president, Enterprise Partnerships, Mastercard.

He noted that India was working towards leveraging the smart city experience and technology available across the globe to drive the transformation it needs.

Fam, however, cautioned that it was also important not to overlook the current problems plaguing society while they ambitiously work on developing India’s future.

“In order to unlock cities’ full potential, they (India) need to remain focused on simultaneously developing basic services and infrastructure,” Fam said.

India needs to keep its smart city vision in mind while it addresses issues such as sanitation and transport, in order to achieve its 100 Smart City goal.

“It needs time, patience and work, but with a solid plan, governance and focus, India is more than capable of achieving it,” he stressed.

The major concern for India is tackling the implications of urbanisation, with people moving from countryside to cities in unprecedented numbers, Fam said. “This is a trend that has global impact and is not specific to developing economies. So now, more than ever, there is a need to come up with technology that can be applied to the challenges cities face in order to make cities smarter, enabling business growth and quality of life,” he advised. A collaborative approach is needed with regards to shared technology, expertise and learning in order to recognise the potential in future cities and deliver truly impactful transformation, Fam said. “The Indian government has ambitious plans and recently announced 20 priority cities that will be the focus for the first
phase of its smart city investment,” he said. “By taking into account the experiences citizens have with the city they live in, and applying technology to transform these interactions, we (Mastercard) can help to develop cities that are dynamic, liveable and sustainable,” he said. Mastercard is already working with 50 cities from all over the globe. In September last year, the company launched the Urbanomics Mobility Project, a new data analysis platform to fuel smarter, more inclusive cities.

**French luxury label Longchamp plans to open six stores in India**

*Economic Times: July 28, 2016*

**New Delhi:** French luxury leather goods brand Longchamp has plans to open up to six stores in India over the next 3-4 years, its CEO Jean Cassegrain said. The company announced its India entry last month and launched its first store in New Delhi. DOIT Retail Brands has the master franchise rights for Longchamp in India. Longchamp owns more than 300 exclusive stores globally and retails from another 1,500 points of sale and has a workforce of around 3,000. It is famous for its signature leather handbags, luggage, shoes, and other fashion accessories sold at global retail stores like Selfridges and Bloomingdale’s, besides its own stores. "We arrived late here as it took us time to find the right partner. Another reason was the difficulty in finding good store locations. It’s not easy to find the store locations in luxury because the options are very limited. In future we may look at more stores in Mumbai, Chennai or Bengaluru,” Cassegrain to ET. Longchamp recorded sales of 566 million euros last year with a growth of 14 per cent. About 30 per cent of the company’s business is in France, Cassegrain said. "After the French, Chinese are the biggest customers. They also buy a lot overseas. The other big markets are US, Japan and Germany. We’re the favourite brand of the French women. Very Parisian.” Cassegrain said the company has kept its price points in India competitive to markets like Singapore and Dubai. "We have worked with our partner to keep the price difference with Europe as tight as possible. The prices here will be 20 per cent higher than Europe, which is reasonable considering the duties.” Longchamp expanded to markets like Cambodia, Chile, Peru and South Africa last year. "In Asia, the business is in shopping malls. In Europe, we like street shopping. In markets like India, we need luxury malls to develop our presence. But, at the time, the options are limited,” Cassegrain said. The company stated its revenue grew 15 per cent in Asia, and the Asian market contributed 25 per cent to overall sales.

**DBS bullish on India, plans 70 branches if given license**

*Press Trust of India | Singapore Jul 29, 2016 06:25 PM IST*

Development Bank of Singapore Limited (DBS bank) is bullish on India and plans to open 70 branches if it gets license to set up a subsidiary in the country, a top official of the bank said on Friday. If given license, the bank can do well with small and medium enterprises (SMEs) and transaction banking, said DBS Group chief executive officer Piyush Gupta. "But it is not the end of the world if we don’t get it. We have already launched digital for retail and will do it for SMEs over the next several months,” said Gupta in an interview with Tabla!, a Friday weekly, largely read by the Indian community in Singapore. "Our first two months of digital have gone well. We have got about 100,000 customers, which is not bad. But for it to really work, we need to scale it up,” said Gupta.

**Mercedes, GE among 'Make in India' investors: Govt**

*PTI*

Domestic and foreign companies like Mercedes Benz India, General Electric, Toshiba and PepsiCo have made investments under the government's 'Make in India' scheme between 2014 and 2016, Parliament was informed today. "Investments have been made under the 'Make in India' scheme between 2014 and 2016 by domestic and foreign companies like Mercedes Benz India, International Tractors Limited, Jaya Montupet, Isuzu Motors, General Electric, Toshiba Transmission and Distributions Systems India Private Limited and PepsiCo," Minister of State for Finance Arjun Ram Meghwal said in a written Reply to the Rajya Sabha. The minister further said that after the launch of 'Make in India' campaign in September 2014, FDI inflows have
increased by 46 per cent during October 2014 to May 2016, from USD 42.31 billion to USD 61.58 billion in comparison to the previous 20 months (February 2013 to September 2014). The ‘Make in India’ initiative was launched in September 2014 to make the country a manufacturing hub of the world.

**SIDELINES**

**Singapore PM wants to see India involved ‘vigorously and actively’ in region beyond Indian Ocean.** Cont from P. 1

the trade routes and the freedom of navigation in the region would become vital concerns of India. “You (India) can make a contribution by participating in the affairs of the region and developing with it,” Lee said. He said he would like to see India participate in the Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership.

“We would like to see these pursued ambitiously,” Lee said even as he called on the Indian companies based in Singapore to lobby for the New Delhi government. Stressing on the need to have open skies with India and other South Asian countries, he said,” If we can have open skies, ideally, I think all the airlines will scramble to work hard. There business will prosper, tourism and investment will thrive.” Noting that there are some 464 weekly flights between India and Singapore running at full capacity, Lee said increasing connectivity has always been a party of his agenda on his visit to India. Highlighting India’s role in the region, he said,”We have invited and welcomed the Indian companies to come. I think we have 6,500 Indian companies in Singapore, some of which run their Indian operations headquarters out of Singapore.”

The prime minister also applauded India’s young population and demographic advantage, saying , “If you educate and employ them productively, it is a tremendous plus for the country.
I. **India Chem 2016**

**Date:** 1-3 September, 2016

**Venue:** Mumbai, India

**Organizer:** The Department of Chemicals and Petrochemicals, in association with the Federation of Indian Chambers of Commerce & Industry (FICCI)

**Details:** It is one of the largest composite events of Chemicals, Petrochemicals and Pharmaceutical industry of the Asia-Pacific region. This spectacular event comprises an international exhibition and a conference of representatives of participating global giants from various associated fields.

II. **Incredible India Investors’ Summit**

**Date:** 21-23 September, 2016

**Venue:** New Delhi, India

**Organizer:** The Ministry of Tourism, Government of India in collaboration with Tourism Finance Corporation of India (TFCI) and the Confederation of Indian Industry (CII)

**Contact:** Ms. Amita Sar kar, Dep Director General, CII, email amita.sarkar@cii.in

**Details:** The Summit will provide an ideal platform for investors interested in tourism products, wherein Indian States/Union Territories shall present their respective investor-ready products encompassing hospitality, wellness, roadways, infrastructure, airports, luxury and lifestyle, cruises and civic amenities amongst others.

III. **Global Investors Summit 2016**

**Date:** 22-23 October, 2016

**Venue:** Brilliant Convention Centre, Indore, Madhya Pradesh

**Organizer:** The Government of Madhya Pradesh

**Contact:** Ms. Neelam Bhagat, email neelam.bhagat@cii.in, tel + 91 11 2461 7251

**Details:** Global Investors Summit (GIS) is a flagship investment promotion event of the Government of Madhya Pradesh. This biennial event provides multiple business opportunities for private sector investment in the state.

**Key Attractions:**
- One stop shop for interacting with Investors, Policy Makers, Industry Experts and Subject Matter Experts
- Presence of Global Leaders and Head of States
- Presence of Chairman and CEOs of Fortune 500 companies, Heads of International Institutions, GOI and State Government Senior Officials, Diplomats, Economists, Thought Leaders and International Delegates
- Opportunity for Investment Promotion, Strategic Partnerships and Direct Investment
- Focused Sector and Country Seminars – better JV/ partnership opportunities for participants
- CEO Conclave – networking opportunities with the key decision makers
- Start-up Session
## Notifications

### Securities and Exchange Board of India

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


*Investments by FPIs in Government securities*


### Ministry of Corporate Affairs

*Companies (Incorporation) Third Amendment Rules, 2016*


### Reserve Bank of India

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


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


*Foreign Exchange Management (Remittance of Assets) Regulations, 2016*


*Investment by Foreign Portfolio Investors (FPI) in Government Securities*

https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10313&Mode=0

### Ministry of Finance

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

Scientists at the Indian Space Research Organisation (ISRO) are gearing up for the launch of geostationary weather satellite INSAT-3DR sometime by the end of next month, a top official of the agency said today.

"The GSLV (Geosynchronous Satellite Launch Vehicle) Mark II will carry the geostationary weather satellite INSAT-3DR. We are looking to launch it by end of next month," ISRO Satellite Centre Director Mayilsami Annadurai told reporters here on the sidelines of a function.

The space agency had successfully launched INSAT-3D, a satellite aided search and rescue satellite, from French Guiana in 2013.

I. Foreign Direct Investment

Q. What are the instruments for receiving Foreign Direct Investment in an Indian company?

Ans. Foreign investment is reckoned as FDI only if the investment is made in equity shares, fully and mandatorily convertible preference shares and fully and mandatorily convertible debentures with the pricing being decided upfront as a figure or based on the formula that is decided upfront. Partly paid equity shares and warrants issued by an Indian company in accordance with the provision of the Companies Act, 2013 and the SEBI guidelines, as applicable, shall be treated as eligible FDI instruments w.e.f. July 8, 2014 subject to compliance with FDI scheme. The pricing and receipt of balance consideration shall be as stipulated in terms of A.P.(DIR Series) Circular No.3 dated July 14, 2014 as modified from time to time.

Any foreign investment into an instrument issued by an Indian company which: gives an option to the investor to convert or not to convert it into equity or does not involve upfront pricing of the instrument as a date would be reckoned as ECB and would have to comply with the ECB guidelines.

The FDI policy provides that the price/conversion formula of convertible capital instruments should be determined upfront at the time of issue of the instruments. The price at the time of conversion should not in any case be lower than the fair value worked out, at the time of issuance of such instruments, in accordance with the extant FEMA regulations [valuation as per any internationally accepted pricing methodology on arm’s length basis for the unlisted companies and valuation in terms of SEBI (ICDR) Regulations, for the listed companies] without any assured return.

Source: RBI

For Feedback & Comments, please contact:
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