Foreign Investors on India

Feedback from Global Business Community

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Investment/Project

Tamil Nadu to woo international financial institutions for its 217 mega projects

- **TNIDB to raise funds from IFIs to support the state's massive capital expenditure of $250 billion involving 217 projects**
- **The investment programme is the part of the Tamil Nadu Vision 2023.**
- **TNIDB would raise $1 billion over three years through a new entity called Tamil Nadu Infrastructure Fund Management Company.**
- **The fund raising exercise will gain momentum during Global Investors' Meet (GIM) in May this year.**

The Tamil Nadu Infrastructure Development Board (TNIDB) plans to raise funds from international financial institutions (IFIs) from later this year to support the state's massive capital expenditure of $250 billion involving 217 projects to be implemented over the next 12 years, a top banking executive tracking the developments said.

The executive further revealed that approvals are being sought from authorities in India, including the Security and Exchange Board of India (SEBI), to work out fund raising arrangements for the investment programme which is the part of the Tamil Nadu Vision 2023.

Initially, the TNIDB would raise $1 billion over three years through a new entity called Tamil Nadu Infrastructure Fund Management Company. The new company will be formed within the next two months, the executive told fii-news.com.

There is an urgent and pressing need to proceed with raising funds as work has already commenced on 64 of the 217 projects. The state officials are also undertaking detailed feasibility studies and preparing bid documents for rest of the projects, informed the executive.

The TNIDB, in order to raise finances, is also exploring various options such as debt funds, mutual funds and infrastructure investment funds.

It is expected that the fund raising exercise will gain momentum by May when the state will host Global Investors' Meet (GIM). Dozens of International investors have been invited to the GIM, which will be held on May 23-24 in Chennai, for detailed discussions on the state's development plans.

The state administration has set a fund raising target of $16 billion from GIM. Besides, it has already secured a commitment of $4 billion through trade promotion visits to Japan, South Korea, Singapore and Malaysia since February 2015.

The second part of the Tamil Nadu Vision 2023 Document, which was unveiled by the then Chief Minister Jayalalithaa Jayaram in February 2014, contains reports on the sector specific approach. It also contains profiles of infrastructure projects that are proposed to be implemented in the identified sectors.

The first part of the Vision Document, released in March 2012, covers the profiles of the aforementioned 217 infrastructure projects in six major sectors of energy, transport, industrial and commercial infrastructure, urban infrastructure and services, agriculture and human development.

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Budget/Investment

Tax proposals in India Budget cheer up overseas investors

- By Saurabh Kumar, Managing Partner of SK Attorneys.

The Union Budget for the financial year 2015-16 reflects a number of priorities set out by the new Government in its election manifesto. It will not be out of place to highlight some of them here because it shows the sincerity of the new administration to keep their promises in letter and spirit.

TAX RATIONALIZATION

Promising a stable tax regime, expediting implementation of Goods and Service Tax, or GST as planned and implementing provisions for transfer of indirect taxes will help bring back the confidence of overseas investors that was eroded due to the Vodafone case.

In the post-Vodafone Saga, under the Finance Act of 2012, the Union Government amended Section 9 of the Income Tax Act so that an asset or capital asset, being any share or interest in a company or entity registered or incorporated outside India shall be deemed to be situated in India if the share or interest derives, directly or indirectly, its value substantially from the assets located in India.

However, the latest Finance Bill provides certain exemptions that shall be available to the company that transfers a share of, or interest in, a foreign entity if he along with its associated enterprises,

(a) neither holds the right of control or management,

b) nor holds voting power or share capital or interest exceeding five percent.

Exemption shall be available in respect of any transfer, subject to certain conditions, in a scheme of amalgamation or de-merger, of a capital asset, being a share of a foreign company which derives, directly or indirectly, its value substantially from the share or shares of an Indian company on proportional basis. The amendment shall be applicable from April 1 this year.

RELIEF FOR FUND MANAGERS

Another major tax relief is provided to fund managers in India that will ensure that under certain conditions they will not be considered a business connection of offshore funds.

In order to facilitate location of fund managers of off-shore funds in India a specific regime has been proposed in the Finance Act in line with international best practices. Subject to fulfillment of certain conditions by the fund and the fund manager, the tax liability in respect of income accruing to the Fund from investment in India would be neutral to the fact as to whether the investment is made directly by the fund or through engagement of Fund manager located in India; and that income of the fund from the investments outside India would not be taxable in India.

This change was warranted because under the existing provisions, in the case of offshore funds, the presence of a fund manager in India may create sufficient nexus of the off-shore fund with India and may constitute a business connection in India even though the fund manager may be an independent person.

Similarly, if the fund manager located in India undertakes fund management activity in respect of investments outside India for an off-shore fund, the profits made by the fund from such investments may be liable to tax in India due to the location of fund manager in India and attribution of such profits to the activity of the fund manager undertaken on behalf of the offshore fund.

POEM INTRODUCED

Concept of Place of Effective Management, or POEM has been introduced. This is to amend the conditions for determining residency status in respect of companies.

The existing provisions of Section 6 of the Income Tax Act provide that a company is an Indian resident if in any previous year it is an Indian company; or during that year, the control and management of its affairs is situated wholly in India.

The latest budget has introduced the concept of POEM for determining the residential status of the company under section 6 of the Act. POEM of the foreign company in India even for a part of the year could result in residence based taxation on its global income and application of all the provisions of the Act including the Minimum Alternate Tax. However, this may not be welcomed by the foreign companies which have branches in India and foreign subsidiaries having parent company in India among others.

BANKS' INTEREST

The Finance Bill proposes to amend the Income Tax Act to provide that, in the case of non-resident banking entities, any interest payable by the their Permanent Establishment or PEs in India to the head office or any other PEs of the bank outside India shall be deemed to accrue or arise in India. This interest payment shall be chargeable to tax in respect of such interest income in addition to any other income attributable to the PE in India.

Techonology

TiE Plans Tech start up Initiative in Singapore

Puneet Pushkarna

The Indus Entrepreneurs or TiE plans to start a path breaking initiative in Singapore to help incubate and nurture technology start ups this year. This comes close on the heels of a similar initiative launched recent by the Indian IT-powered group in the Silicon Valley.

"Our goal here is to connect the budding entrepreneurs of Singapore to like minded innovators elsewhere so that they can link to different technologies that are available in other parts of the world and accelerate their own quality and pace of development" said Puneet Pushkarna, Chairman of TiE Singapore who is also managing a global investment fund, Solmark.

TiE will be launching a huge initiative here to support technology startups, Pushkarna said.

"We want to be part of the journey to take an idea and build it into an enterprise," he said in an interview with Foreign Investors on India/fii-news.com. TiE is working with many young entrepreneurs in Singapore and helping them in this journey, he said.

TiE Silicon Valley recently launched a Billion Dollar Babies, or B$B initiative for the development of young and bright ideas and transforming these startups into billion dollar businesses.

Pushkarna is optimistic of getting strong support from Singapore government in developing technologies and said TiE will be working with local authorities including the National Research Foundation in the Prime Minister's Office.

TiE is working with many of our partners ranging from incubators to venture capitalists to finalize ways and means to foster innovation and entrepreneurship. The aim is to evolve and innovate, and help improve quality of life as we create wealth along the way for all stakeholders, said Pushkarna, who spent more than two decades in the Silicon Valley developing cutting-edge technologies.

Innovation has been instrumental in transforming societies and TiE thinks of itself as the "entrepreneur inside the ecosystem" he stressed, pointing out that TiE's global network of over 10,000 members is one of the biggest platforms in the world for developing new ideas.

"As innovation continues to gain momentum in Singapore, we aim to bring some of the DNA, discipline and thought processes from across the globe into the city state and connect the entrepreneurs here with the world at large."

TiE Global, which was started in the 1990s by Silicon Valley-based Indian technologists, can connect entrepreneurs to Europe, the United States, India and elsewhere across its more than 60 chapters worldwide.

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Techonology

IIa Technologies makes Singapore a diamond growing hub

A few decades from now it won't be surprising if world's diamond capital is not Antwerp or Surat but Singapore!! Thanks to the persistence and innovation of a company set up by non-resident Indians.

World's leading diamond growing company, Singapore-based IIa Technologies plans to expand its capacity by 50% to 450,000 carats by 2017. The company, owned by non-resident Indians, has started the world's largest diamond greenhouse, a 200,000 square foot, state-of-the-art facility in Singapore to annually grow 300,000 carats of diamonds.

IIa Technologies has also launched "Cultured in Singapore," a new brand initiative that underlines the technological advancement in diamonds that the company has achieved in Singapore.

IIa 'grown diamonds' are the first-ever sustainable, conflict-free, origin-guaranteed, high quality diamonds that were conceptualized and cultured in Singapore, company's CEO Vishal Mehta said.

The new brand mark identifies the origin of IIa Diamonds and certifies them as 100% cultured in Singapore, a country known for its innovation and high levels of sustainability, Mehta said. The brand initiative is also aimed at positioning Singapore as a major source of grown diamonds for the world, he said. Creating a diamond resource within Singapore truly showcases what the country stands for – progressive technology, innovation and business resilience, he said.

"IIa's grown diamonds come at a time where consumers are looking for more options to meet their needs," Pure Grown Diamonds CEO Lisa Bissell said. New York-based Pure Grown Diamonds, part of IIa Holdings Group, is marketing the grown diamonds. In addition to being conflict-free, the cost of producing these diamonds is 30%-40% lower than that of mined diamonds, Bissell said.

Mehta said that the annual growth in global demand for diamonds is around 30% making alternate sourcing critical to meet the burgeoning needs worldwide. He cited a Frost & Sullivan report and said supply of mined diamonds is depleting and would decline to 13 million carats in 2050 from the estimated 133 million carats in 2014.

RESEARCH CENTER

IIa Technologies has also launched a first-of-its-kind diamond research center that will provide all the scientific know-how to different teams within the company. These research teams aim to further develop existing diamond growing technologies and offer high quality 'grown diamonds' for various high-technology industries and applications beyond the luxury sector.

It will also conduct cutting edge research on the Microwave Chemical Vapour Deposition or MPCVD method of growing diamonds to establish next-generation applications for them that will have far-reaching technological impact on the semiconductor, healthcare and engineering sectors.

The IIa Technologies facility was recently inaugurated by Singapore's Deputy Prime Minister Tharman Shanmugaratnam. Tharman said it was a matter of great pride that after eight years of painstaking research, IIa Technologies has developed its know-how and successfully scaled up the growth type of IIa diamonds.

The center is expected to generate new applications for diamonds, either from existing research ideas or by developing something completely out of the box, by working in conjunction with the relevant industries and research partners, said Tharman, who is also Singapore's Finance Minister.

Grown diamonds have important spin-offs for other industries. Many technology applications experience thermal or heating related issues as devices miniaturize. "Diamond is an excellent heat sink because of its superior thermal conductivity," Tharman said. "We look forward to seeing IIa Technologies spinning off new innovative applications through its research center," said the Deputy Prime Minister.

Industry reports have forecast that over the next 30 years, grown diamonds will become a dominant player in not only high technology applications but also a major consumer item for the luxury world, said Mehta. "Grown diamonds will also provide a good hedge for diversification of use in an industry that has, so far, heavily relied on a single product, the gem quality diamonds."

The diamonds are highly identical to their mined counterparts with the only difference being their point of origin, Bissell added.

IIa Technologies was set up in 2001 by Devi Shanker Misra - the current Chief Technology Officer - when he joined hands with the family of Mehtas, a third generation professionals in the gems and jewellery industry. The Singapore headquarters were established in 2005.

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Techonology

Knowlarity launches telephony product; eyes US$1 billion revenue

Singapore-based Knowlarity Communications will soon release a new product on cloud telephony as it embarks on a massive drive to become a billion-dollar company in terms of revenue in what is already a $60 billion global market.

"We will be rolling out an all-new-version of 'Super

Receptionist', our flagship product for businesses in the coming months," Knowlarity's founder CEO Ambarish Gupta said. Knowlarity has signed multiple partnership agreements over the last couple of months in Dubai to offer cloud telephony.

Cloud telephony offers telephony services on a cloud-based platform. Moving away from the traditional telephony switching infrastructure, cloud leaves users free to interact on various devices of their choice including phones, browsers and Voice over Internet Protocol, or VOIP, applications such as Skype.

Knowlarity is optimistic about its expansion plans even though internationalization and regulatory framework remains a major challenge for the Indian-owned company.

Internationalization is the biggest challenge going forward both from a product and workforce perspective, Gupta said. "We need to understand and bridge cultural differences to get a toehold in the markets abroad". Regulatory frameworks are always a challenge as well and the company has to find the right channel partners to sell its products, he said.

Knowlarity uses a hybrid online-offline approach, combining online marketing with field sales. The company's sales force in the field is mostly composed of channel partners, Gupta said. As a result, it is able to combine the depth of online marketing with 'the connect' offered by personalized sales, he elaborated.

Talent acquisition strategy is also important. "We need to identify the right talent at the right place and the right time to succeed internationally," he stressed.

The silver lining is that the company is taking up this challenge of globalization including regulatory frameworks, sales and acquiring of talent hands-on. Knowlarity has more than 10,000 customers in over 65 countries, including India, Singapore, the Philippines, Dubai and Turkey.

The company is planning to expand the start-up ecosystem to wider geographies and partner with larger clients and strengthen its research & development, said Gupta, a graduate of the famed Indian Institute of Technology, or IIT.

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Techonology

NEC provides Face Recognition Technology to Surat City Police

The first safe city project in India to use advanced face recognition technology

NEC's face recognition technology is deployed at the Surat City Police in Gujarat state, making it the first safe city initiative in India.

NEC's NeoFace® Watch for Live CCTV surveillance and NeoFace® Reveal for forensic criminal investigation is being used at Surat City Police, said NEC India Pvt. Ltd.

The technology is deployed by NEC India and NEC Corporation, together with Innovative Telecom & Softwares Pvt. Ltd.

Rakesh Asthana, Indian Police Service, Police Commissioner of Surat City, said: "We have found NEC's face recognition solution to be the most appropriate solution with respect to face detection and investigation, and it will help Surat Police resolve crime cases in a very speedy manner."

NeoFace® Reveal is a software solution for forensic investigation that provides law enforcement and crime laboratory agencies with the ability to enhance poor quality latent face images, search against their mugshot databases, and locate potential suspects, while NeoFace® Watch integrates with existing video surveillance systems and matches faces in real-time against a watch list of individuals to trigger an alert.

Speaking on the strategic partnership with Surat City Police, Koichiro Koide, Managing Director, NEC India said: "Safety is one of the most important aspects that goes into the making of a smart city. NEC continuously innovates to create and deliver safe city and smart city solutions.

"Our face recognition technology has been through stringent performance evaluations and an extensive proof-of-concept process by the Surat Police, and has performed highly in terms of speed and accuracy. We are committed to the Surat City Police in this partnership towards enabling a safer city, and we look forward to future collaborations."

Both technologies have been deployed successfully in numerous government agencies throughout the world, including the United States, United Kingdom and

Singapore.

"We along with the Surat City police have evaluated multiple face recognition solutions from various parts of the world and found NEC to be the most accurate, fastest and the best criminal investigation application amongst all," said Moin Shaikh, Director, Innovative Telecom & Softwares Pvt Ltd, who has implemented the Surat Safe City Project.

NEC's face recognition technology has achieved the highest performance evaluation for the third consecutive time in the recent Face Recognition Vendor Test (FRVT) 2014 performed by the U.S National Institute of Standards and Technology (NIST).

Test results revealed NEC's search accuracy as well as the speed of its face recognition algorithms for image search outperforming competitors significantly. The NIST report is considered an industry benchmark for assessing how accurate a face recognition software solution is in one-to-many searching in various circumstances.

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Techonology

Strengthen IT infrastructure to tackle data theft

Deep Singhania with 'Strategic Leadership Award'

The industries sector has to strengthen its technology infrastructure to keep pace with the fast moving technologies and prevent pilferage of priceless, confidential data that can put human security at risk, a top industry official has said.

"In the fast-paced environment of information technology, the industry has to seriously think about strengthening the basic technology infrastructure in order to adapt to high-end services," Deep Singhania, Senior Vice President, Global Head-Growth Strategies at Emerio Globesoft Pte Ltd, said.

He said that it is becoming increasingly important as on one side, applications related to 'Social, 'Mobile', 'Analytics' and 'Cloud' collectively known by the acronym, SMAC are making life easier but at the same time putting extra ordinary pressure on the overall IT infrastructure.

Singapore-based Emerio is a unit of NTT Communications and is involved in addressing issues related to SMAC.

"We have moved into unprecedented speed of adapting to fast paced technology apps and services but seem to have fallen behind on ensuring basic and secured services," said Singhania, who has worked with international organizations in Europe, the Middle East and Asia Pacific.

Singhania received the 'Strategic Leadership Award' at the 23rd World HRD Congress held in Mumbai last month.

There is an urgent need to relook at the technology infrastructure to ensure the industry is also making enough provisions for security-enabled services, Singhania said. He cited the frequent incidences of 'not enough technical infrastructure' in terms of storage, connectivity and security resulting in the pilferage of sensitive data in both the government and corporate domain.

Right data gathering and Information Technology along with robust IT security to build technical infrastructure is the need of the hour, he said in an interview with fii-news.com.

Governments and Organisations worldwide are gathering data through mobile and social apps, storing it on clouds and then analyzing this treasure trove for better understanding of human decision making, he said. They are also disbursing data based services through multiple channels including Internet and mobiles. However, he pointed out that there are grave concerns over the widespread leakage of classified information.

According to media reports, recently there were hackers attacking on Sony website and in another case only recently a massive corporate scandal involving leakage of confidential files from Indian government has been exposed.

Since many years, important policy matters and decisions from Ministries of Petroleum and Natural Gas, Power, Coal, Commerce, Defense and Finance were being passed on to corporates by government officials for a hefty sum, the reports said. In Singapore there were attacks on

Prime Minister's website.

While India's corporate espionage case involves hard copies of important documents but all types of critical and sensitive information is now increasingly being stored worldwide on clouds for high degree of availability when dealing with various policies.

"It is heartening to know that the man, the market and the governments are all working in this direction of data and documents security," Singhania said.

Technologists will now have to ensure that the IT systems become self-sufficient, security is tight and stored information is safe, he said. It is always good to go back to basics and renew the development process of any element, he said. "The industry must look at all these new energetic applications that have become so important in our daily lives that we can't imagine a moment without them."

Singhania cited the example of the cellular phone industry which has expanded exponentially from the basic telephone line of yore to the internet-based services which encompass most aspects of human life.

This has happened through extensive up-gradation of technologies at small regular intervals. However, issues relating to some of the elements such as the capacity, speed and security will compel us to go back to the drawing board again, said Singhania.

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Techonology

Tata Communications launches RoamPulse platform

India's Tata Communications has launched RoamPulse platform, a real-time roaming intelligence service that allows mobile network operators to improve their customers' roaming experience and make their business more efficient.

RoamPulse provides real-time monitoring, reporting and alarming of all roaming traffic and answers the growing market problem of undetected roaming issues.

These issues can cause significant commercial loss for mobile operators, trigger customer churn and negatively affect market perception.

Using RoamPulse operators can deliver a superior roaming experience to their customers by proactively identifying problem areas and reducing the number of service outages.

RoamPulse reduces resolution times by offering a centralised, collaborative solution across multiple internal teams thus guiding operators straight to the root cause of the outage. This allows operators to shift focus from troubleshooting to their core business needs. For consumers, RoamPulse paves the way for a seamless roaming experience – anytime, anywhere – with better availability across voice, messaging and 2G/3G and 4G/LTE.

Jeff Bak, Vice President of Mobility Solutions at Tata Communications, says, "Tata Communications recognised a growing need in the mobile operator market for a hosted and managed roaming intelligence tool covering all roaming interfaces, which is why we developed RoamPulse.

The depth and breadth of our network means that Tata Communications is well-placed to provide operators with a single tool for all roaming troubleshooting, ultimately providing them with faster intelligence and helping them to deliver higher quality service to their customers. This is an important milestone in Tata Communications' development, as we introduce another service to help mobile operators improve subscriber experience."

RoamPulse is a next-generation integrated platform covering 2G, 3G, 4G and LTE signaling traffic. It enables mobile network operators, roaming managers and interconnection managers to optimise their customers' roaming experience and minimise service disruption by proactively representing network health and identifying areas of attention.

Through RoamPulse operators can access real-time statistics and alarms through a single, integrated tool. Using RoamPulse operators can decode multiple protocols and identify incomplete transactions. Users are able to customize KPIs, dashboards and reports according to their needs. It is pay-as-you-go, which means it scales to fit users' needs and reduces up-front CAPEX requirements.

RoamPulse is integrated with the world's largest mobile on-net SS7 signaling network. Today, over 24% of the world's Internet routes travel over Tata Communications' network and Tata Communications is the world's largest wholly-owned subsea cable network. Its Tier 1 IP network provides connectivity to over 240 countries and territories across 400 points-of-presence, as well as nearly 1 million square feet of data centre and collocation space worldwide.

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Economy

Lower Costs Boost Indian Business Sentiment in February

Input Prices Decline to Lowest on Record

The MNI India Business Sentiment Indicator rose 3.1 per cent to 66.2 in February from 64.2 in January as the cheaper cost of raw materials helped to offset the recent weakening in demand.

The increase in confidence brought to a halt four monthly declines in the business indicator, leaving it close to the average seen over the past year, said MNI India which does a monthly poll of Indian business executives at companies listed on BSE.

Confidence was boosted in the run up to the election of Prime Minister Narendra Modi last year but has subsequently eased as businesses have become increasingly disappointed with a lack of concrete reforms.

While overall sentiment is almost 14 per cent above the level in February 2014, this performance has not been matched by other key indicators in the report such as New Orders and Production which have both fallen.

Companies benefited from lower prices and the recent strengthening in the rupee. The Input Prices Indicator fell to just above the 50 breakeven mark, the lowest in the survey's history.

The business community also reported that the interest rate costs they faced were falling at the fastest pace on record following the recent cut in official rates.

Other activity metrics in the survey showed a moderate weakening. Companies were less willing to hire in February as they scaled back production in the face of weaker demand. Production fell to the lowest since May 2014 and New Orders declined to the lowest since October 2013.

Commenting on the latest survey, Chief Economist of MNI Indicators, Philip Uglow, said: "The recent rate cut likely helped to boost overall sentiment a little, helped by a lower inflation environment which has cut input costs for companies. Other key activity metrics such as production and orders, though, are still trending down.

"The continued low level of inflation seen in our survey and also the official data suggests the Reserve Bank of India has room to ease policy further, although critical to timing will be the Reserve Bank of India's assessment of the recent Gross Domestic Product revisions."

MNI Indicators is part of Deutsche Börse Group and offers unique macro-economic data and insight to businesses and the investment community.

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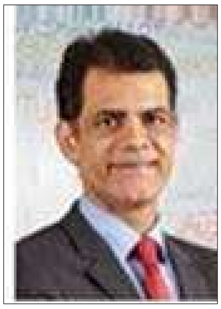
Budget/Investment

India Real Estate's Analysis of Budget 2015-'16

- By Anuj Puri



In this year's budget, the Finance Minister has conveyed a message wherein the benefits lie only in the fine print. For the common man, though the cumulative savings implied by various provisions are stated to be to the tune of Rs. 4.44 lakh, this is assuming a certain magnitude of personal investments into pension funds and health insurance.

The budget has not provided any additional relief via increased income tax deduction limit or on repayment of housing loans. The regime on these fronts which was announced during the previous budget from eight months ago remains unchanged. This is a disappointment, since there was expectation that the Finance Minister would further increase either or both of these limits and thereby address the reality of high property prices in India.

The budget is low on big bang reforms and real estate is only an indirect beneficiary at best:

- **Smart Cities:** The budget did not provide any details on this initiative taken by the Government. Factors such how it will define these cities and which cities have been identified remain unclear. However, increased allocations for rail-road development, penetration of education and training centres and towards the Digital India initiative could contribute to the shaping of Smart Cities in the country.
- **GST:** The Finance Minister has announced that GST will commence from the next financial year and has increased service tax and central excise duty as a preparatory measure for its deployment. This puts an end to the speculation on when GST would finally become a reality.
- **REITs:** The Finance Minister has said that he proposes to rationalise the capital gains regime for REITs, but has not given any specifics. This could mean that the sponsor of a REIT may get a one-time capital exemption in exchange for units, but this needs to be confirmed.
- **Wealth Tax:** Wealth tax has been eliminated and a new Super Rich tax has been put in place. Thus, instead of valuing personal assets (including property of individuals), the government has decided to do away with that process and introduce a Super Rich Tax that simply levies an additional 2% surcharge on incomes of those individuals earning INR 1 crore and above. This is positive on two front – 1) with the previous applicability limit of INR 30 lakhs, practically every urban households came under the ambit of wealth tax, and 2) Simplifies the tax structure and collection mechanism.
- **Transparency:** Incentivising usage of wired money rather than cash transactions has significant pertinence to real estate, which is one sector where cash transactions have been impacting transparency. Another boost to transparency in the real estate sector is the enhanced punitive measures which will now be taken on concealment of assets, including benami properties.
- **Visa on Arrival:** The visa on arrival program has been increased to cover 150 countries from the previous 43, which will lead to a huge step forward for tourism in India. This is a huge plus for hospitality real estate and will also significantly amplify destination retail in the country.
- **Alternative Investment Funds:** The government will allow foreign investment in Alternative Investment Funds (AIFs), a category of pooled-in investment vehicles for real estate, private equity and hedge funds. AIFs are funds established or incorporated in India for the purpose of pooling in capital from Indian investors for investing as per a pre-decided policy.

Budget
Investment

Indian economy on high growth trajectory: CRU

The Indian economy which is on a path of recovery since 2014 will continue to be on a high-growth trajectory this year, says a senior economist with a London-based consultancy CRU.

Fundamentals of Indian economy are recovering due to the continued improvement in India's fiscal and current account balances, Grant Hixon said.

"Given the market imbalances, softer commodity prices, in particular food and oil are expected to remain lower for even a longer period. This will help to contain inflation and result in higher disposable income for households, thus raising private consumption," he said.

Lower prices should provide room for a more liberal monetary policy. "We believe that the interest rate cut in January and March 2015 marked the start of a loosening monetary cycle, and further rate cuts are expected later this year, which will boost confidence in the economy and be met with approval by the industry," he stressed. The industry has been clamoring for cheaper credit for a long time now.

The rupee should continue to gradually depreciate against the US dollar. It is forecast that the currency will fall to around Rs 62-63 by the end of this year against the greenback, which will boost competitiveness. It will translate into stronger growth in exports this year.

While the Indian government is unlikely to meet the market's high expectations of big bang economic liberalization, the consultancy remains cautiously upbeat about the prospects for progress in reforms, particularly with regards to improving investment in infrastructure.

The government is likely to continue to use the path of ordinances – executive orders which bypass parliament –

to cut red tape, liberalize foreign investment and deregulate key parts of the economy, for example in land acquisition, but miss the mark on reforms such as tackling restrictive labor laws which require radical overhaul and greater political support. Even ordinances need to be approved by parliament within a stipulated time frame and this is going to be a serious challenge with government being in a minority in the Upper House, the Rajya Sabha or the Council of States.

The Fiscal Year 2015/16 Budget, announced February 28, has provided some clarity on reforms. Corporate tax will be lowered in phases in conjunction with the doing with exemptions, wealth tax will be replaced with a surcharge, gold will be monetized, health insurance will be encouraged through more tax exemptions and Forward Markets Commission will be merged with the Securities and Exchange Board of India. However, much more needs to be done.

Risks to our forecast are balanced in the near-term but tilted to the upside further out. More supportive fiscal and monetary policy would boost growth in the near term, but higher inflation would dampen demand, while acceleration of reforms can generate stronger, more sustainable, economic growth in the medium term.

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Budget
Investment

India's New Budget: Changing Course without Controversy

Dr. Amitendu Palit*

Very few Indian budgets in recent years have been presented in a more favourable backdrop than the budget presented by Finance Minister Arun Jaitley on 28 February 2015. The Economic Survey, presented a day before the budget forecasted an economic growth of more than 8 per cent in the next financial year. It also emphasised that the country was set for 'big bang' reforms.

The Finance Minister would have been aware of the tremendous expectations from the Prime Minister Narendra Modi government's first full budget.

Inflation was under control largely due to the unprecedented fall in global oil and commodity prices. The stock market was robust with the foreign institutional investors (FIIs) having made a forceful comeback. The external sector and balance of payments conditions had improved remarkably. Better fundamentals were also showing signs of committing a cautious Reserve Bank of India into an easier monetary policy.

The budgeted fiscal deficit target of 4.1 per cent of the Gross Domestic Product was looking difficult to be met, given the overestimation of revenues. Matters could have worsened following the 14th Finance Commission's decision to substantially increase the share of states from the tax proceeds collected by the Centre. But the new GDP figures released by the Central Statistical Organisation (CSO) a few weeks before the budget came to the Finance Minister's rescue.

Indeed, had the new GDP figures not given the cushion of a higher base, the Mr Jaitley would have found it almost impossible to meet the budgeted fiscal deficit. Buoyed by a projected GDP growth of 7.4 per cent for the current fiscal (2014-15), also up two percentage points than what most were expecting, the GDP growth estimation for the next fiscal could also be more optimistic. The baseline GDP growth has been around 8 per cent or more, which was impossible to visualise a few weeks ago.

The budget has something for practically everybody. As a starter, it has pleased analysts and experts who were demanding higher public investment in infrastructure for accelerating and multiplying the growth momentum in the economy. Following the pattern of capital finance outlined in the Rail Budget, public outlays have been sharply increased on roads and railways. Tax-free infrastructure bonds for rail, road and irrigation projects are expected to channelize considerable household and corporate savings into infrastructure financing. These would be matched by the funds allocated to the newly-created National Investment and Infrastructure Fund (NIIF).

The world was expecting the Finance Minister to announce a date for rolling out the Goods and Services Tax (GST). As of now, it is April 2016. While the Finance Minister has not specified whether the date is cast in stone, ample references to the GST as a 'game changer' in the budget raise hopes of it being more sacrosanct than other tentative datelines announced in previous budgets.

The more significant innovative structural measures include merging the Forward Markets Commission – the regulator for commodity futures – with the Securities and Exchange Board of India (SEBI); proposing a law for streamlining the process of public procurement; introducing sovereign gold bonds and facilities for gold depositors to earn interests in metal accounts; creating a Public Debt Management Agency for managing both external and internal borrowings; and encouraging public ports to corporatize under the Companies Act for attracting greater private investments. In what could be a significant structural measure for channelizing Indian investments into manufacturing activities in Southeast Asia, a project development company has been proposed for facilitating investments in Cambodia, Lao, Myanmar and Vietnam.

Foreign investors would also be happy to note the decision to do away with the distinctions in various types of foreign investments, particularly portfolio and direct investment, and to replace them with composite sectoral caps. In addition, a greater relief for them is the decision to defer the General Anti-Avoidance Rules (GAAR) on corporate taxation for at least two years and the Finance Minister's commitment to apply these rules, whenever they come in, prospectively, and not with retrospective effect as the Government had indicated of the doing.

The new budget emphasises review of the Public Private Partnership (PPP) mode of infrastructure development and admits the importance of government bearing greater risks in these ventures. Investors would have been looking for greater clarity in this regard, particularly in terms of the risk sharing structures that the government is contemplating. However, the Budget has stopped short of being specific.

Industry and business could hardly complain over what the budget has delivered for them. The phased lowering of corporate income tax from 30 per cent to 25 per cent was a bit unexpected at a time when the Centre would have to give up more revenue following the recommendations of the Finance Commission. Prospective investors for "Make in India" would also be happy over the various fiscal incentives offered for the scheme including the tax "pass through", higher investment and depreciation allowances and reduction of customs duty on various essential raw materials, intermediates and components.

The budget has fussed over the Government's intention to introduce a law for curbing growth of black money. Some of the features of this proposed law point to the strict penalties, especially for non-disclosure.

The budget has not cut subsidies though the current economic backdrop would have been ideal for doing so. It would have also been rational since the government needs to create more fiscal room. It is also perplexing that the budget makes no mention of disinvesting government equity in public enterprises – an effort that was conspicuous in the earlier budget. The long-term reform agenda is virtually left untouched, given no mention of labour or insurance reforms.

Dr. Amitendu Palit, a Senior Research Fellow and Research Lead at the Institute of South Asian Studies (ISAS).

Investment/Policy

Foreign investors seek friendly policy and project opportunities

Arvind Jain*

The Pride Group is a world-class property development conglomerate that is changing the cityscapes of Pune, Mumbai and Bangalore.

Foreign investors into Indian real estate are looking at two primary aspects – an investment-friendly policy environment and project opportunities by established, credible developers.

They are taking the long-term view and not looking at immediate gains, but at sustainable and assured returns on investment. In particular, the policies on land acquisition play an important role in FII sentiments because it is only when reputed developers can procure large, contiguous tracts of land and launch investment-grade projects on them that the most attractive investment opportunities present themselves.

Thanks to improvements in transparency and the watchful auspices of the Reserve Bank of India (RBI), the speculative short-term view has all but vanished in Indian real estate – the only short-term speculators still remaining are those who favour small projects being launched on the peripheries of most Indian cities by fly-by-night developers.

Foreign as well as domestic investor sentiments have improved massively since the arrival of a stable, pro-business government at the centre. In fact, India is now being seen as one of the five engines of the global economy, and is being taken more seriously than even China.

The year 2014 saw a significantly larger amount of private equity investments into Indian real estate as compared to 2013, and given the fresh enthusiasm that is prevailing, this trend is very likely to sustain over the next two to three tears at least.

However, the investments being funneled into Indian real estate will not show any interest in smaller developers without the balance sheets to prove their capitalization, delivery capabilities and the ability to secure good land parcels in the best locations. The future will definitely see a lot of consolidation on the market, wherein bit players will yield to larger developers with these attributes.

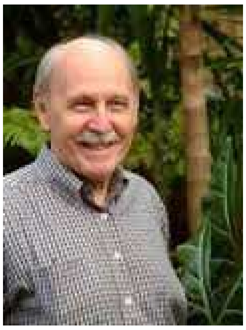
Pune is one of the Indian cities where real estate market is drawing the most attention for large institutional investors as well as retail investors. There are good reasons for this – in the first place, it has well-entrenched and rapidly growing IT/ITeS and manufacturing industries which drive demand for both commercial and residential real estate. There is a huge amount of demand for properties that meet the requirements of commercial space occupiers and home buyers.

Also, the Pune real estate market is dynamic and constantly growing, both in terms of geography as well as property typologies and configurations. Developers in this city do not compete with each other only for buyers, but also in terms of bringing fresh and more interesting features to their offerings.

When a market sees the right kind of supply that is in tune with what buyers want, it is evolving well and there can be no danger of stagnation. This is precisely the kind of environment that attracts investors. With a very proactive and savvy Chief Minister who is focused on growth and knows that real estate plays an integral part in this growth, Pune's property market will become an increasingly important destination for institutional and well as smaller retail investors in the times ahead.

Arvind Jain is Managing Director –Pride Group

Energy/Environment



Nothing goes to waste: Invest in managing this resource

- By Ken Hickson

Besides solar, wind and ocean energy, India must invest in managing its massive waste problem and turn it into a source of energy.

According to the Ministry of New and Renewable Energy (MNRE), there exists a potential of about 1,700 MW from urban waste – that 1,500 MW from Municipal Solid Waste (MSW) and 225 MW from sewage – plus another 1,300 MW from industrial waste. And that doesn't include agricultural waste such as risk husk.

While the ministry is also actively promoting the generation of energy from waste, by providing subsidies and incentives for the projects, it's not happening with the same gusto that is attached to solar and wind.

The Indian Renewable Energy Development Agency (IREDA) estimates indicate that India has so far realized only about two per cent of its waste-to-energy potential.

A 2011 Frost and Sullivan market study had predicted that the Indian municipal solid waste to energy market could be growing at a compound annual growth rate of 9.7 per cent by 2013.

Indian Prime Minister Narendra Modi described India's thrust towards renewable energy production as an effort to ensure universal energy access for India's poor. Speaking at the inauguration of RE-INVEST 2015 on 15 February, Mr Modi insisted that India's stress on renewable energy is not aimed at impressing the world, but to meet the country's own people's energy requirements.

The Prime Minister spoke of the "seven horses of energy". India has focused on thermal, gas, hydro and nuclear power so far. But now "we need to add Solar Energy, Wind Energy and Biomass Energy."

Biomass and waste is definitely there, but because it is not as "sexy" or seen as "clean" as wind and solar, it needs to be recognized for what it is. Observers believe much more needs to be done to deal with the mounting problems of waste, which is weighing down on cities and villages throughout India, and acknowledging that waste can be turned into a very acceptable and viable energy resource.

Waste to Energy was identified as a key area in 2011 where Swedish expertise and technology could be gainfully utilised to deliver solutions for sustainable waste management in India, as well as create profitable business opportunities for Swedish companies.

Perhaps the best example of where India has made a promising start is turning rice husks into energy.

The MNRE is promoting generation of electricity from various agro-residues including paddy husk. The Ministry has fixed targets of 400 megawatt biomass power projects for the 12th Plan period and 100 megawatt during the current financial year 2014-15.

Two entrepreneurs in Bihar state have a company producing electricity from rice husk and supplying power to some 400 million people in India who don't have access to reliable electricity. Gyanesh Pandey and Ratnesh Yadav started a company, Husk Power Systems (HPS), in 2008 in Patna, the state capital. It is a model project, generating electricity from rice husk, a waste product of rice milling, for the Eastern Indian state, one of the worst areas facing power shortage.

In the areas where HPS has put up its power plants, not only are the villagers assured of reliable electricity, they also pay less than what they were previously spending for light from kerosene lamps. There are side benefits too; electricity from HPS does not have the environmental and health hazards posed by kerosene.

In just four years HPS has installed 84 mini-power plants, providing electricity to over 200,000 people spread across 300 villages, and employing 350 people operating across Bihar. Each plant serves around 400 households, saving approximately 42,000 liters of kerosene and 18,000 liters of diesel per year, significantly reducing indoor air pollution and improving health conditions in rural areas.

Husk Power has set an example which other states and companies are starting to draw on. Greater investment from overseas and locally is now going into rice husk power. But it needs to be multiplied many times to capitalize on an available resource and to produce the amount of energy needed in rural areas and villages.

There are also some neglected side effects of India's development process like, generation of waste. A population of 1.2 billion is generating 0.5 kg per person every day. This, sums up to a huge pile of waste, which is mostly land filled in the most unhygienic manner possible.

As part of the Smart City project, New Delhi Municipal Council (NDMC) plans to become energy-neutral — generating as much power as it consumes — by March 2 Smart City pror setting up small-scale waste-to-energy plants in its jurisdiction, the civic agency is planning to set up a big plant that will generate about 100 MW power in a day.

"We plan to set up a waste-to-energy project which will generate 96 MW in a day (4 MW per hour) from 170 metric tonnes of waste. This will help us achieve our target of 200 MW-plus power per day. We plan to set up two such plants," said Jalaj Shrivastava, chairman, NDMC.

Waste management market in India is expected to be worth US$13.62 billion by 2025, according to a research report by NOVONOUS in September 2014. http://www.marketresearchreports.com

This report finds that due to the large amounts of wastes generated, this industry is experiencing a steep growth trend with the mandate from governments side for appropriate waste treatment, support for generating of energy from these wastes, increasing public-private partnerships, increasing investments from various fund sourcing agencies, world organizations like UNESCO, WHO etc. and various subsidies and incentives from both central and state government.

The message is loud. There's money to be made from waste. There's energy in those rubbish dumps and in the rice fields. Nothing should go to waste. The technology is available to make it work. And with Government encouragement and incentives, there are investors with millions of dollars ready to turn waste to energy in India.

Ken Hickson is a sustainability leader, climate change action advocate and champion for a clean energy, zero waste, resource efficient and low carbon future.

Investment

Innovari to create new energy platform for India's power grid efficiency

Global interactive energy platform developer, Innovari, to help India in a big way to bridge its massive energy deficiency through optimal utilization of the country's power grid.

In the next 10 years, India plans to spend $21.6 billion on smart grid infrastructure to ensure round-the-clock electricity for its entire population and Innovari will be an active participant in this energy revolution.

Innovari, which has interactive energy platforms, connects utilities, their customers, and their communities to improve the use of energy and make it more efficient.

In working with some of the most progressive utilities in India, Innovari will create a new energy platform that will help enable the power grid to be more flexible and efficient while also allowing it to safely and reliably incorporate distributed and renewable energy resources. A pilot project in this regard has already been undertaken.

Further detailed plans have also been made and during the recent visit of US President Barack Obama to India, a series of Memoranda of Understanding or MOUs were signed between Innovari and India's leading energy firms.

India realizes how important electricity is to their growing economy and has made tremendous progress with its energy initiatives, said Innovari Chief Executive Officer Chris Hickman.

"We want to be part to India's efforts to provide reliable, clean, and affordable energy to its population," Hickman said.

Innovari's Interactive Energy Platform, or IEP will help improve the reliability and efficiency of India's power grid while also helping the utilities engage with their commercial and industrial users. This will ensure cheap and efficient supply of electricity to India's energy-hungry households and industries.

Innovari's IEP is a state-of-the art unique platform that comprises of a fully automated demand side management and grid monitoring system. It allows the utility to monitor and control operations, communicate with its customers in real-time and control the electrical load to optimize overall grid utilization.

Top officials of the US Department of Commerce and the US Trade and Development Agency, or USTDA were present when Hickman announced Innovari's continued support for India's energy program.

"Electricity is the life blood of any economy. The

MOUs between Innovari and several of India's leading energy firms is a concrete example of clean energy cooperation that will advance the [Indian] Prime Minister's goal of securing electricity for everyone," said US Assistant Secretary of Commerce Arun Kumar.

Innovari will be working with three power utilities in India to help optimize the utilization of the country's power grid. Details of the agreements will be announced shortly. Innovari's efforts to advance Indo-US partnership come at a time when Obama during the visit to India unveiled a number of initiatives to help the country expand research in, and gain access to, clean energy technologies.

With these joint US-India initiatives, India will be able to consolidate its leadership energy sector, Hickman said. Innovari is very fortunate to have the opportunity to work with India's leading utility firms and officials of USTDA and Commerce, he said. The company is looking forward to the continued growth of strong partnerships between India and the US in the field of energy and commerce, he added.

USTDA has sponsored the pilot project that enabled Innovari to clearly demonstrate the value of its platform in India, said USTDA Director Leocadia I. Zak.

"We are pleased to have had the opportunity to support Innovari's entrance into this dynamic market, and to see such tremendous progress from one of our industry partners," Zak said.

Investment

Make in India: South Korea takes the lead

*- By Dr Sojin Shin**

India has now become the most attractive investment destination for South Korean blue chip companies.

The South Korean entrepreneurs have taken a major lead in investing in India's manufacturing sector. They carry a tremendous technological advantage and price-wise their goods are very competitive in the Indian market.

South Korean President Park Geun-Hye regards India as a very important partner for the mutual economic development and realizing the vision for global trade.

Heavyweight South Korean manufacturers who are active in the Indian market are already working in line with the vision of their President.

In January last year, the Export-Import Bank of Korea, or Korea Exim Bank, signed a Memorandum of Understanding with India Infrastructure Finance Company Ltd., or IIFCL, a wholly-owned Indian government subsidiary that specializes in providing long term finance for infrastructure projects.

The agreement includes a clause that allows the Exim Bank to provide loans of upto US$200 million to Indian domestic companies to import goods and services from South

Such financial funding would boost economic ties between the two countries as well as businesses. The South Korea-India Comprehensive Economic Partnership Agreement, or CEPA, signed in 2009, has given a significant boost to both bilateral imports and exports. The CEPA is expected to expand trade and investment further and enhance investment protection on bilateral basis.

Annual trade between the two countries, as in November 2014, was more than $20 billion, according to the Korea International Trade Association.

The National Democratic Alliance government at the center has invited investors from the world over to manufacture or make goods in India.

Interestingly, much before India launched its "Make in India" campaign last year, 85% of the South Korean investments in India were already in the manufacturing sector. This is because the South Korean investors see substantial value and high rate of returns in the medium term in the manufacturing sector.

South Korean companies have a firm belief in having manufacturing locations close to the expanding consumer base of India. In contrast, investors from other countries are mostly eyeing the services sector.

The strength of the South Koreans lie in the greenfield type of Foreign Direct Investment, or FDI, which requires acquisition of land to set up facilities from scratch, investment in supporting infrastructure including water and power and clearing environmental issues.

Leading the South Korean investments in India are the electronic goods giants, Samsung and LG, which have grabbed more than 40% of the market share in the mobile phone sales. Their products are manufactured in factories located at Greater Noida in Uttar Pradesh.

Hyundai Motor Company has automobiles manufacturing plant at Sriperumbudur in Tamil Nadu with an annual manufacturing capacity of 600,000 units. It has a 21% share in the fast growing Indian market for automobiles.

The automobiles sector has a close relationship with other industries such as steel and rubber and helps create both blue and white collar jobs, thus contributing to nation building.

Dr Shin is research associate in the Institute of South Asian Studies at the National University of Singapore. She focuses on Indian economy and politics.

Investment

Talking points: Bluerprint for reforms in India

*- By A. R. Jumabhoy**

Advisor, Foreign Investment on India.

PHARMACEUTICALS: India can play a major role in providing cheap health care access to the world's poor. This is possible if Made-in-India modern or western medicines are provided worldwide. India has low-cost production facilities which can help manufacture high quality medicines for export, which will go a long way in making healthcare affordable to middle class and poor households globally. Foreign investment in Indian pharmaceuticals should aim at developing, producing and distributing medicines at a relatively lower cost as compared to the prices charged by the large pharmaceutical companies around the world.

GOODS & SERVICES TAX: GST is tax on consumption. For tourists who export and do not consume including household shopping and take-home purchases, there needs to be a refund of GST. We have already introduced it in some Asian countries.

SMART CITIES: There is an urgent need to build new towns. These must not only be built scientifically with specific master plans but should also have in place regulations to educate citizens ranging from school-goers to adults. Singapore is a shining example of how town planning can be put into practice .

LITTERING: This is related to town planning. Since early days after Singapore gained independence, there are fines and punishments for those who spit on the street, cross the road haphazardly without waiting for the traffic light signals, smoke in public places and spread litter. Harsh deterrent punishments include a S$19,800 fine for throwing cigarette butts to the ground from units in high-rise apartments.

JUDICIAL REFORMS: Recommendations of the Bhagvanji Raiyani, Chairman of Forum For Fast Justice should be implemented with a sense of urgency. Fast track courts, setting up of new courts, sanctioning of new positions for judges and the number of lawyers and filling up existing vacancies are some of the initiatives to act upon immediately.

BANKING SYSTEM: Expansion of international banking and finance system to attract foreign investment and build trust among various stakeholders.

MICRO FINANCE: Current structure of micro-finance has several anomalies, is limited in scope and requires expansion. The structure should be built on the lines of programs devised by Mohammed Yunus for the poor in Bangladesh where the borrowers also become shareholders. Instead of being used as high interest rate extracting mechanisms, micro finance units should be partners to stimulate entrepreneurship and growth.

SMALL & MEDIUM ENTERPRISES: India's SMEs currently need to modernize and help their workers to upgrade skills. This can be done through education, in particular, by introducing programs for change in work ethics. In Singapore, we had a particular area developed for small and medium industries which are still functioning with one floor on top for the family housing. It is part of the Housing Development Board plan.

INFORMATION TECHNOLOGY: Innovation is the need of the hour. There are numerous examples in Israel, China and US of start-ups funded by venture capitalists who have made it big by encouraging creativity to drive the technology boom. New companies have become immensely successful globally. while existing behemoths such as Microsoft, Nokia, Blackberry, Apple and Samsung have hit a plateau, even facing the mid-life crisis. The lesson to be learnt from their experiences is that innovation is a continuous game, or a perennial exercise.

WATER: Singapore's New Water system should be emulated. Under this program, contaminated water which at times even includes human waste, undergoes a process of reverse osmosis to become purified drinking water. Desalination should also be considered. One enterprise working in this sector in India is Hylfux. Hundreds of such companies are needed as India has a long coastline to make salinated ocean and sea water fit for drinking. Cleaning and interlinking of rivers is a related project which is yet to take off even though the Indian government's Ganga cleaning mission is three decades old. The cleaning of small Singapore river was a priority of Singapore's then Prime Minister, Mr Lee Kuan Yew which took 10 years to complete.

ANNUAL BUDGET: Financial reforms should be unveiled to the world without any further delay with particular focus on foreign investment that is sorely needed to fund India's development agenda. Taxation regime should be made very simple and user friendly.

POLLUTION: Reforms and development should not be arbitrary and haphazard and must be balanced with environmental conservation and pollution control. Lessons should be learnt from China's rapid industrialization and urbanization which have also made it one of the world's most polluted and filthy country with smog becoming an integral part of the daily life of many of its citizens.

FOOD STORAGE: Billions of dollars worth of food rots or goes waste due to conspicuous consumption but more importantly lack of proper storage and processing. A complete overhaul of transport and storage logistics is needed including building of state-of-the-art grain silos and cold storage facilities on a war scale.

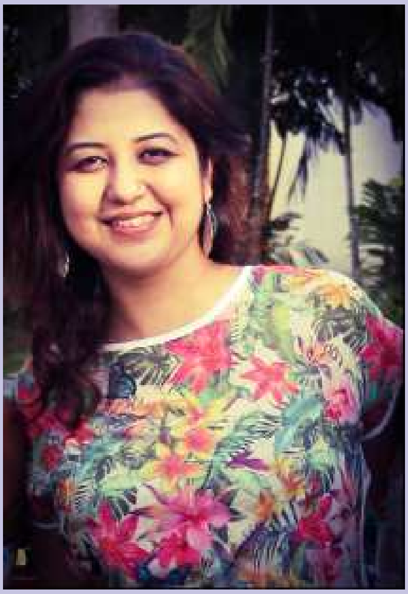
TRANSPORT: Reforms in road and rail sector need to be dovetailed with expansion and building of new shipping ports in order to synchronize and bring the entire transport infrastructure on the same wavelength.

CORRUPTION: Tendering system for government contracts needs to be made transparent. Automation with online auctions will be crucial to achieve this aim.

Mr Jumabhoy is a veteran businessman with a wide range of interests in India.

Letter

Letter from Singapore to Delhi



Namrata Sharma

My dear fellow countrymen,

Born and brought up in India, I spent most of my life in this ancient land but have been living in Singapore for the last seven years.

Many people describe Singapore as a 'near perfect country" and I mostly tend to agree with them. Notwithstanding the high cost of living [Singapore is among the world's costliest cities], the good lifestyle, the secured environment, the way the country is being governed, the drive for a clean environment and livable surrounding and a lot more…All this certainly has the power to change one's perception about life and aim at enjoying it to the fullest.

I am no different. Yet, the comforts and high standards of living that I enjoy in Singapore have not made me immune to what is happening in India. I still follow the events taking place in my motherland. Whether it is when election results are trickling in or courts are delivering an important judgment, I try to spend most of the day following the developments on internet, television or social media.

The parliamentary elections in May last year were one such event where Narendra Modi-led Bharatiya Janata Party first emerged as the front-runner and eventually victorious. The moment Modi, who was then Gujarat's Chief Minister embarked on his campaign, it generated a lot of interest. The high-decibel campaign of the BJP strongman even made many of my local friends in Singapore to sit up and take notice.

Amid all the din and drama that accompany the election caravan, Modi as a Prime Ministerial candidate had given some hope to all my Indian friends, most of whom were living overseas for almost a decade. During our parties and get-togethers, a major point of discussion would always be, 'Will Modi be able to change India?' Kya acche din aayenge [Will good days arrive?]

Before the polls, we were really fed up of hearing only negative news about India. In the past few years in particular, the multi-million dollar scams and deteriorating standards of security resulted in a lot of bad press.

After the spine chilling rape of a young girl in New Delhi on the...

Read full letter at www.fii-news.com