P RIME MINISTER Manmohan Singh has convened a meeting with captains of industry in Delhi on July 29 to discuss the sharp depreciation of the rupee and steps to review the economy and correct the bloating current account deficit.

The announcement came on a day when the rupee fell to an all-time low of 61.21 on Monday. It has weakened by almost 10 percent this year. The meeting takes place at a difficult time with growth slumping to five percent, the lowest in a decade. Sluggish investments and industrial growth have been big drags on Asia’s third largest economy.

The issue of depreciation of the rupee and its impact on trade and industry will also be discussed.

Measures to revive the industrial growth, skill development, depreciation of rupee and its impact on businesses and steps to correct the current account deficit will constitute subjects of discussion, a PMO press note said.

It said the meeting will also discuss the ongoing development of three industrial corridors between Delhi and Mumbai, between Chennai and Bangalore and between Amritsar and Kolkata via Delhi.

Manufacturing sector expanded by a meagre 2.6 percent in the financial year 2012-13, according to the Central Statistics Office data. The current account deficit has hit a record 4.8 percent of gross domestic product in the fiscal year that ended March 31.

Singh will meet the leaders of the industry a month after setting an investment target of Rs 1.15 lakh crore in PPP (public private partnership) projects across infrastructure sectors in rail, port and power in the next six months to pep up the investor. Meanwhile, Paris-based think tank OECD said the Indian economy is seeing signs of upward momentum helped by gradual reduction of inflationary pressure though the country’s growth still remains “relatively weak”.

The conclusions are based on Composite Leading Indicators that are designed to anticipate turning points in economic activities. “The CLIs for the United Kingdom, Canada and China point to growth close to trend rates and the CLI for India points to a tentative upward change in momentum,” the grouping said in a report on Monday.
Govt to revisit preferential market access policy

The government has put on hold the requirement for private telecom firms to source domestically manufactured electronic equipments, as it reviews and revisits the controversial 'preferential market access' policy, reports PTI.

"Amid pressure from global entities providing preference to domestically manufactured Electronic Goods (PMA Policy), the overall PMA policy will be recalibrated and submitted to the Cabinet," it said. Though the statement did not specify steps to be taken by state-owned firms, industry felt the PMA mandating a phased hike in procurement from domestic industry will be implemented by them. The Cabinet had in February last year approved the PMA policy seeking preference to domestically manufactured electronic products, in procurement of those electronic products which have security implications and in government procurement for its own use.

"The National Security Council Secretariat will provide a definition and by for usage in the context of security related issues concerning products, projects or sectors," the statement said. The PMA Policy has two aspects, one relating to government procurement and the other to private sector procure. There are no international commitments affecting government procurement.

Govt unsure of meeting 2G auction revenue target

With two rounds of auctions of telecom spectrum flouting due to high price, Finance Minister P Chidambaram is unsure if the Rs 40,847-crore target through the process for current fiscal will be met. "Some of it (spectrum revenue target) is current revenue that is the licence fee, the spectrum usage charges... so some of it is current revenue which will come from people who already have spectrum. What is in doubt is only the fee that I will get through the auction. But an auction will take place and some revenue will come," he told PTI. The government had set a reserve price of Rs 14,000 crore for a slot of pan-India spectrum kept for auction. The price was set at par with CAG's assumed value of Rs 1.76 lakh crore for 2G spectrum allocated to companies in 2008. The auction, however, fetched a meagre Rs 9,407.64 crore.

The Centre again placed unsold spectrum worth Rs 45,000 crore for auction in March 2013 after reduction in base price but only Sis tema Shyam Teleservices made bids worth Rs 3,693 crore for CDMA spectrum.

Ponzi menace: New law to plug gaps:

Concerned over the rising menace of ponzi schemes, the government will bring in a new law to remove regulatory gaps in this regard, Chidambaram said.

CBI registers case against DCHL promoters

The bank had filed a complaint with CBI after it had found several irregularities in balance sheet of company in forensic audit. Venkatram form the promoters group along with the auditors C B Moul & Associates in the FIR. In February this year the bank had filed a complaint with the CBI after it had found several irregularities in company's balance sheet in a forensic audit. The trouble started when DCHL started defaulting trade loans to FIs. The CBI registered against the accused under sections 120-B (read with) 420, 468 and 471 in connection with the fraud perpetuated at Canara Bank corporate branch in Secunderabad. According to the FIR, between 2009 and 2011, the accused entered into a criminal conspiracy to cheat Canara Bank by availing open cash credit without any collateral and periodical enhancement of credit facilities and multiple short-term loans aggregating Rs 1,220 crore from the bank. The promoters, who pushed the firm neck deep into the debt of around Rs 4,000 crore taken from several banks and FIs, had availed of excessive bank finance without adequate drawing power by allegedly submitting false statements and by suppressing the bank borrowings.

Sebi gives consent to TN's offer to buy stake in NLC

The government said Sebi has given its consent to Tamil Nadu's proposal to buy Centre's 5% stake in Neyveli Lignite Corp (NLC) provided the acquisition is done by a qualified state entity, reports PTI. "Sebi feels the proposal could get covered within the guidelines on IPP. However the exact details need to be worked out that require discussions with TN officials, Coal Ministry and Dept of Disinvestment, (DoD)" an official statement said. The DoD had sought Sebi's views on TN Government's proposal to buy 5% of Centre's stake in NLC disinvestment. Sebi has written back to disinvestment dept last week saying the 5% stake sale should be done to the state PSUs through the Institutional Placement Programme (IPP) route. Also, the acquirer has to be registered with Sebi as a Qualified Institutional Buyer (QIB).
C*ACKING down on a ‘potato-purchase’ illegal investment scheme promising up to 100 per cent gain in just 15 months, Sebi asked Sumangal Industries from the securities markets till the time entire money is refunded and all its collective investment schemes are wound up.

In the event of the company failing to comply with the order, the regulator warned the company and its 11 promoters and directors of initiating prosecution proceedings and a civil/criminal case against them for “offences of fraud, cheating, criminal breach of trust and misappropriation of public funds”. Tuesday’s order follows a show-cause notice and interim directions issued by Sebi on April 10 to Sumangal Industries, which was promising investors 20-100 per cent return on their investments within 15 months through a scheme involving purchase and subsequent sale of potatoes.

Sebi also said it would make a reference to the Ministry of Corporate Affairs to initiate the process of winding up of the company if it does not refund the money to investors and wind up all its schemes within three months.

In its interim direction, Sebi had asked the company to stop raising any further money till further orders and had asked it to reply within 15 days. Sebi had begun a probe into the matter after it came across an advertisement in Kolkata by Sumangal Industries, wherein it was soliciting funds from the public under a ‘Flexi Potato Purchase Scheme’. The regulator had subsequently informed the company in October 2012 that no entity could carry on or sponsor or launch a collective investment scheme without its approval.

It also said the company would have to submit certain documents to obtain the certificate. However, the company in its reply to Sebi said it was trading in potatoes for which it had a trading licence and it was dealing in agricultural and non-agricultural products within and outside India.

It also denied that it was running a collective investment scheme and submitted that the question of obtaining a certificate of registration from Sebi did not arise.

Sebi restrains Sumangal Industries from securities markets till the time entire money is refunded and all its collective investment schemes are wound up.
The Central Vigilance Commission (CVC) is looking into a complaint of alleged corruption in the Rs 2,058 crore deal between Jet Airways and Abu Dhabi’s Etihad Airways. The complaint, sent to the CVC by BJP MP Nishikant Dubey last month, alleged a serious fraud to cheat the Government and cause huge revenue loss of Rs 500 crore to the national exchequer by Jet in the Ministry of Civil Aviation. The CVC has received the complaint and it was being looked into, official sources said. The multi-crore agreement between the two aviation majors has been in controversy ever since it became public, with BJP claiming “something fishy in the deal”.

Etihad had on April 24 announced its decision to purchase 24% stake in Jet for Rs 2,058 crore. On June 13, the Foreign Investment Promotion Board (FIPB) deferred a decision on the deal, saying it required more clarity on control and ownership structure of Jet Airways. Jet chairman Naresh Goyal owns a 51% stake in the airline.

J & K plan for 2013-14 finalised

The meeting took place between Montek Singh Ahluwalia, Deputy Chairman, Planning Commission and Omar Abdullah, Chief Minister of Jammu & Kashmir. The plan size has been agreed at Rs 7,300 crore. Besides, Rs 600 crore would be considered for PMPR (state sector) projects. Also, an amount of Rs 3,000 crore is likely to flow from the Centre to Jammu & Kashmir through various Centrally-sponsored schemes. Moreover, a special assistance of Rs 710 crore would be available from the central plan for PMGSY projects. Thus, taking all resources, plan aid to the state is likely to be over Rs 11,000 crore during 2013-14.

Ahluwalia complemented the J&K government for restoring economic activity and focusing on the development of social and physical infrastructure. He said the State needs to further encourage private participation by creating an atmosphere conducive to investment. Education, health and tourism should be given priority while working out development strategy.

The state was particularly complemented for achievements in horticulture, education and health sector. The commission pointed out that tourism sector holds tremendous potential for boosting economic activities by generating direct and indirect employment. Focus should be on development of infrastructure through public and private partnership by extending incentives to the investor. Promotion of heritage, adventure, pilgrim and eco-tourism should also receive attention. Many states have also taken important initiatives in Public Private Partnership (PPP) in the development of infrastructure, introducing in the social sector, i.e. health and education. The State was requested to take action in this regards as this would promote investment.

Ahluwalia requested the states to come forward with the flexibilities they need in the guidelines related to centrally sponsored schemes to improve efficiency. He said the initiatives need to be available of in introducing innovativeness in the programmes. It was pointed out that the Gross State Domestic Product (GSDP) growth rate of J&K during 11th Plan was only 6% which is lower than national average of 8%. Service Sector growth rate of J&K (9.5%) remains almost at par with the national average of 9.7% during 11th Plan.

Sharma meets French President Hollande

The Union Minister of Commerce & Industry Anand Sharma earlier this week held bilateral talks with his French counterpart, Nicole Bricq, the Minister for Foreign Trade, in Paris. Sharma requested him to encourage French companies to participate in key sectors in India such as infrastructure, transport, high technology and energy.

He stressed the need for France to provide strategic support to French industries interested in doing business with India while assuring that India was committed to providing a conducive policy environment for foreign investments in several key sectors. Sharma also stressed the need for strong French support at the political level for early conclusion of the India-EU BTIA which would contribute to growth in bilateral trade and investment. He also invited the French Minister to visit India.

Earlier on Monday, Saharna inaugurated the 6th session of the India-France CEOs Forum along with the French Minister for Economy and Finance, Pierre Moscovici and highlighted the strong growth fundamentals of India which remain rooted in deep democratic values and urged the French investors to enhance their engagement of Indian firms and investment in India to develop a win-win partnership.

J & K plan for 2013-14 finalised

The Annual Plan for 2013-14 for J&K has been finalised.