The government moves fast to reassure investors on the Tax Residency Certificate

Govt assures foreign investors on TRC

The government moves fast to reassure investors on the Tax Residency Certificate

MFIs likely to challenge HC ruling

The Microfinance Institutions Network (MFIN) has hinted at challenging the recent Andhra High Court order upholding the legality of the Andhra MFI Act in the Supreme Court, a top official of the umbrella body that has over 40 microlenders as members, said. The MFIN is also expected to work with the Ministry of Finance and the Reserve Bank of India to review the Act.

Over dozen corporates, PSUs queue up for bank licences

More than a dozen corporates, including big names such as Aditya Birla Group, M&M, L&T, as well as state-owned PFC, LIC and India Post, will apply to the Reserve Bank for licence to open banks. While announcing comprehensive guidelines for new bank licences two days ago, the RBI said interested entities can file their applications by July 1.

SBI raises FDI rates

State Bank of India (SBI), the largest bank of the country, on Wednesday announced an increase in interest rates on fixed deposits by 0.25% on select maturity periods. Of the total 9 maturity periods for fixed deposits, rates have been revised upwards in 4 categories with maturities of over one year. The new rates would be effective from March 1, SBI said in a statement. With the revision, the interest rate on 1-2 years fixed deposit would go up to 8.75%, from 8.50%. Similarly, term deposit 2-3 years, 3-5 years and 5-10 years would also earn higher interest rate of 8.75%. However, the bank has left interest rate unchanged for deposits less than 1 year. Earlier this month, the bank had cut lending rate by 0.05%, soon after the Reserve Bank cut its key policy rate. After this marginal reduction, SBI’s base rate, or the policy rates. After this marginal reduction, SBI’s base rate, or the policy rates. After this marginal reduction, SBI’s base rate, or the policy rates. After this marginal reduction, SBI’s base rate, or the policy rates.
Sebi to probe bear attack on mid-caps

About a dozen mid-cap and small-cap shares crashed on Monday, prompting the Securities and Exchange Board of India (Sebi) to initiate a probe into panic selling triggered by speculation that pledged shares are being sold by certain entities.

Core Education fell by 62.4% or Rs 184.30 to Rs 110.95 while welded steel pipe maker Wespun Corp ended down 20.4% to Rs 67.20. Core Education Tech (earlier known as Core Projects) swung wildly intraday. It opened at Rs. 296 at the BSE against its previous close of Rs. 295.25 and marked a low of Rs. 99 before ending at Rs 110.95.

Other scripts like Aanjanyea Lifecare, Sudar Inds, Flexituff, Lifecare, Sudar Inds, Flexituff, Rs. 295.25 and marked a low of Rs. 99 before ending at Rs 110.95.

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Private equity investments in power companies saw a fall of 74% in the last two years

Blackstone calls off deal with Visa Power

Blackstone

Private equity (PE) company Blackstone Advisors India has called off its $111-million (around Rs 600 crore) deal with Kolkata-based Visa Power Ltd, in another indication that PE funds are losing interest in the country’s power sector.

Blackstone, which announced plans to invest in Visa Power in 2011, had disbursed about $20 million to the company. But, as the power firm failed to meet certain milestones, Blackstone decided to write off its initial investment and call off the deal, said people aware of the development.

An email sent to Vikas Agarwal, managing director of Visa Power, remained unanswered till the time of going to press. While contacted, a Blackstone spokesperson said: “As a policy, we do not comment on market speculations.”

Visa Power, part of the Rs 5,000-crore Visa Group, had inked a memorandum of understanding with the Chhattisgarh government in 2007 for setting up a 1,200-Megawatt coal-based power plant. The project, allotted 99.12 million tonnes (mt) of coal from the Fatehpur East coal block in Chhattisgarh, has an estimated project cost of Rs 6,200 crore. But, the company couldn’t commission the project.

According to sources, lack of adequate resources has caused the delay. Visa Power could not fulfil certain conditions put up by Blackstone within the stipulated time. “Hence, the contract expired last year and Blackstone is not going ahead with the investment,” the source added.

Visa Power’s other projects, under various stages of planning, include three 1,320-Mw coal-based super thermal power plants in Odisha, Madhya Pradesh and Gujarat and a 2,640-Mw power plant in Jaipur. According to PE investors, the possible break-up of Blackstone and Visa Power is just the tip of the iceberg. “In the current scenario, where any power project is yet to take off, especially coal-based projects, we are likely to see more similar incidents in 2013,” said a PE fund manager with exposure into power companies. “None of the PE investors want to put money in a sector which sees uncertainty,” he added, requesting anonymity.

Lack of clarity in coal supply has forced major power companies in India to stall their projects. State-run Coal India Ltd’s bid to raise output at home has been stymied by delays in land purchases, slow environment approvals and frequent labour unrest.

Suzlon promoters raise Rs 240 cr via stake sale

Wind energy major Suzlon today said its promoters have offloaded 6.19 per cent stake in the company for Rs 240.40 crore to support its corporate debt restructuring plans.

The promoters have sold 11 crore shares approximately 6.19 per cent stake for a total sum of Rs 240.40 crore, Suzlon said in a regulatory filing to the exchanges.

Following this sale, the promoter group’s holding in the company stands reduced to approximately 44.46 per cent of the paid-up capital.

Paid-up capital is the amount of company’s capital that has been funded by shareholders.

“Part of the funds so raised would be infused into the company by suitable mode at the earliest, subject to applicable law to comply with equity infusion requirement under CDR mechanism, which in current liquidity situation would support the operations of the company,” it said.

It further said that the balance funds would be utilised to release pledged shares by repayment of loans taken by promoters.

Shares of Suzlon Energy were trading at Rs 23.30, down 3.92 per cent on the BSE.

India Inc raised Rs 4,974 cr in corporate debt category: Economic Survey

Economic Survey says resource mobilisation in the corporate debt category witnessed a significant decline as just Rs 4,974 crore was garnered through debt issues in the first nine months of the current fiscal, which was not even 10 per cent of the total funds raised during entire 2011-12.

According to the Economic Survey for the year 2012-13, in the public issue of corporate debt category only Rs 4,974 crore was mobilised up till December 31, 2012, while Rs 35,611 crore was raised in fiscal year 2011-12.

“Though the development of the corporate bond market has been an important area and has received greater policy attention in recent times, it is yet to take off in a significant manner,” the survey said.

The government, in close collaboration with the RBI and Sebi, has recently taken a number of initiatives to meet the growing capital needs of the Indian economy.

To enhance liquidity in the corporate bond markets, the Insurance Regulatory and Development Authority (IrDA) has permitted insurance companies to participate in the repo market.

Moreover, mutual funds have been permitted to participate in CDs in corporate debt securities.

Among other initiatives to promote the corporate debt market, banks were permitted to take limited membership in Sebi-approved stock exchanges for the purpose of undertaking proprietary transactions in the corporate bond markets.
Plan outlay for health up by 13.9%

Government continues to strive for the improvement in the standard living and health status of the population.

In a written reply to a question in the Rajya Sabha, Finance Minister Namo Narian Meena said that the Government is not diluting; and for recapitalisation of Public Sector Banks (PSBs) and Public Sector Enterprises (CPSEs) including Public Sector Insurance Companies (PSICs), a budgetary outlay of Rs.520 crores is targeted to cover 12.5 lakhs pregnant and lactating women.

Every year approximately 60,000 to 70,000 law graduates join the legal profession. India is ranked 45, with a score of 5.96 in 2012-13. This is an improvement from 64 rank in 2011-12.

Legal services show a steady annual growth of 8%

Legal services in the country have been growing at a steady annual rate of 8.2% from 2005-06 to 2011-12. The Indian legal profession consists of nearly 1.2 million registered advocates, about 950 Law schools and approximately 4 to 5 lakh law students.

Through the free legal services, making applications for patents and legal support in the form of research document reviews, drafting of documents, and legal advice, the country can make use of advanced means of communication technology, geographical advantage, language proficiency, and the legal system which is inspired by those of USA and UK.

The Indian legal profession consists of nearly 1.2 million registered advocates, about 950 Law schools and approximately 4 to 5 lakh law students. Every year approximately 60,000 to 70,000 law graduates join the legal profession.


government continues to strive for the improvement in the standard living and health status of the population. The survey noted that the Government has increased its plan outlay for health by 13.9% to Rs.30,477 crores in 2012-13.

Under the NHRM over 1.4 lakhs Health Human Resources have been added (upto September, 2012) and under infrastructure strengthening, 10,473 sub centres, 714 primary Health Centres and 245 community Health centres have been newly constructed. A sum of Rs.520 crore have been released to open 132 ANM schools and 137 general nursing and mid wifery schools in districts where there are no such schools.

Opening of six Nursing colleges at the sites of AIIMS like institution at a total cost of Rs 120 crore is also under consideration.

Survey noted that due to Janini Suraksha Yojana, the number of institutional delivery have increased from 1.08 crores during 2005-06 to 1.75 crores during 2011-12. In 2012-13, Indira Gandhi Matritva Sahyog Yojna (IGMSY), a budgetary outlay of Rs.520 crores is targeted to cover 12.5 lakhs pregnant and lactating women.

The surveys notes that allocation of gender budgeting as a percentage of total budget have gone up from 2.8 % in 2005-06 to 5.96 in 2012-13.

SOURCE: MINISTRY OF FINANCE

Real estate regulator may not monitor commercial projects

The revised draft Bill is likely to be tabled in the current Budget session of Parliament. The ministry is awaiting a Cabinet nod, before moving Parliament.

The real estate industry has been opposing the introduction of the Bill. Developers have raised concerns over the strict penalties/punishment to be imposed on them if they fail to comply with certain provisions. The draft Bill proposes up to three years jail or/and a penalty up to a 10th of the estimated cost of the real estate project in question for promoters who willfully fail to comply with some key provisions.

Anshuman Magazine, chairman and managing director of the South Asia region for CB Richard Ellis, said: "This will only be a bit of relief for developers as majority of the development happens in the residential segment. Overall, the Bill has to be a balanced one, which will protect the interest of the consumers while not being impractical on the developers."

Samarjit Singh, managing director, India Homes, said, "The new revision will help large-scale developers, who go for setting up of integrated townships. It will give some element of relief to developers and not impact individuals."

SOURCE: MINISTRY OF FINANCE