

Jet Air to ground low-cost flights from Dec 1

this quarter year brought good results to Jet Airways. After baring losses from last 5 quarters this is for the first time after Etihad acquiring some shares of Jet, company has barred profits. Jet airways will not operate low-cost flights now, as the carrier is closing a service it started six years ago to now focus exclusively on full-service operations.

Services sector hits 6-months low in October

Service sector in India faced a plummet in index value while business confidence strengthened during the month. Index for services dropped to 50 in October from 51.6 in the month before. The rate of job creation was marginal overall. The slump in India's manufacturing has impacted services activity.

Sebi may Allow Foreign VCs Invest in CICs

Capital market regulator SEBI proposed allowing foreign venture capital investors(FVCIs) in core investment companies(CICs) for infrastructure sector to help attract overseas fund in this space. Main reason of SEBI proposing this aimed at removing any hindrance for investment in the infrastructure sector through the FVCI route to boost country's infrastructure.

FPI infuse Rs.5200 Cr. in Indian Capital Market in a week

Overseas investors have pumped in close to Rs.5200 Cr. in capital markets in first week of November on positive global clues coupled with government's reforms agenda. Market analysts said that overseas investors are betting on hopes that Eurozone Central Bank(ECB)may announce stimulus measures to revive growth I Eurozone economies. They believe that some of this excess liquidity will come to India compared to other emerging market countries.

Expansion in Modi Government

The strength of the Union Council of Ministers goes up from 45 to 66. Of this, 27 including the Prime Minister are of Cabinet rank, 13 Ministers of State with Independent Charge and 26 Ministers of State. Former Goa Chief Minister Manohar Parrikar and three others were inducted into the Union Cabinet.

BRICS Bank finds alternatives to fund infrastructure

The recently created BRICS bank is a welcome development in having multiple funding options for the much-needed investment for the infrastructure sector. Multiple options are present in terms of multiple commercial banks, development bank institutions, non-banking finance companies (NBFCs) etc.

THE QUESTION OF BLACK MONEY

India skipped a crucial meeting organised by the Organisation for Economic Cooperation and Development (OECD) in Berlin on the 29th of October 2014. The countries gathered were to propose new norms to boost worldwide efforts to crackdown on tax evasion. The OECD developed new standards on automatic information exchange based on the mandate from the G20 that has been turning on the heat on Tax havens.

India will adopt this system and will enter into bilateral agreements for automatic exchange of information that will greatly help in our fight against black money stashed in financial accounts and assets maintained overseas by Indian taxpayers.

The automatic exchange Information- sharing pact will enable the government to secure details about Indians hiding their money in offshore centres and Tax Havens through multi-layered entities with non-transparent ownership. This will help Prime Minister Narendra Modi to meet his poll promise to track down unaccounted wealth.

But there is a catch to this agreement, the pact mandates confidentiality. India cannot violate it if it wants to be a signatory. To sign competent authority agreements (CAA) with other countries, every country including India has to make commitment that such information is used only for Tax purpose and will be made public only when the investigation is complete and a complaint or prosecution is filed in a competent court for Tax evasion.

This means that the information cannot be made public till the probe is underway as this would lead to the violation of the right to a citizen's privacy. Also every account held by an Indian overseas cannot be deemed illegal.

There is a negative side to this pact also which relates to the trade between India and USA. India may not be able to sign this pact with USA as this will force Indian banks to release confidential information about the bank accounts of American Citizens, which could drastically hamper trade between the two countries.

It would be unfortunate if the government refuses to be an active member of this treaty, which would point out to the reality that India's major political parties fund themselves with unaccounted money. Hence, to take a big leap towards ending this cycle of Black money, the government must sweep its house first.

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