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Headline: S'pore 'can gain from Indian reforms on capital funding'

# S'pore 'can gain from Indian reforms on capital funding'

By RENNIE WHANG

SINGAPORE stands to gain from recent reforms allowing Indian firms more flexibility in tapping capital markets overseas, especially as the new government is keen on building infrastructure, a gathering heard yesterday.

Mr S. Iswaran, Second Minister for Trade and Industry, noted the importance of the Indian government's decision in September to allow companies there to list and raise capital overseas without first being listed in India.

Referring to areas such as port, power and road infrastructure, he told the audience at the Singapore-India Business Dialogue: "Access to finance is a key ingredient of success for projects and the businesses involved."

The Comprehensive Economic Cooperation Agree-

ment (Ceca) inked by India and Singapore in 2005, "not only provides easier access for goods and services to our respective markets, it also enables Indian companies to access Singapore's capital markets to raise capital through a variety of financial instruments", he said.

He noted that some Indian firms have already raised equity capital through business trust listings on the Singapore Exchange (SGX) while Tata Group has issued Singapore dollar denominated debt.

Flipkart, India's largest e-commerce site, has also raised external funding via Singapore, Mr Iswaran said.

Mr Ronald Tan, SGX director of marketing and business development for listings, told the gathering at Singapore Management University that he expects more Indian business trusts to list here.



Some Indian firms have already raised equity capital through business trust listings on SGX, Mr Iswaran told the Singapore-India Business Dialogue 2014 yesterday. PHOTO: SINGAPORE MANAGEMENT UNIVERSITY

Ascendas India Trust was the first, listing in 2007, followed by Indiabulls Properties Investment Trust, and Religare Health Trust in 2012.

Their share prices rose after the Indian election results were announced last Friday.

"We started with real estate and have gone into hospitals. As a natural growth for SGX, we'll look at (trusts dealing in) other infrastructure," said Mr Tan.

"For example, for other

business trusts in Singapore, we have water treatment plants, power stations, green renewables... This is a growing sector which we will focus on to provide that funding required for infrastructure development in Asia and especially in India."

Mr Tan added that Indian issuers are the third-largest bond issuers on the SGX, calling it a "phenomenal growth" since the exchange started dealing in Indian bonds about

10 years ago.

The SGX also has some Indian global depository receipts (GDRs), or certificates representing shares already quoted on the Indian stock exchange, he said.

Referring to the elections, he said: "We're excited to see this positive outcome in India; we're believers in Indian growth... (and) believe we can provide complementary capital funding solutions."

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