GUERNSEY'S NERINE SEES A BRIGHT FUTURE IN A RENEWED INDIA

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Guernsey-headquartered Nerine Group, the only independent trust company with an office in India, believes the sub-continent is on the brink of an economic boom following the results of the election in May and a renewed sense of investment optimism now sweeping the country.

Nerine, which has offices in Guernsey, the British Virgin Islands, Geneva and Hong Kong, invested in India three years ago, setting up Nerine Advisory Services India Pvt Limited and Nerine Trustee Company Pvt Limited, to offer a comprehensive range of advisory and trustee services to families in India.

Nerine India Managing Director Pranav Khanna said Nerine's foresight had yielded a strong performance and he believed this would be dwarfed by the economic activity expected under the new government. Mr. Modi's pro-reform Bharatiya Janata Party (BJP) won a historic mandate in the country's general election in May emerging with 282 of 543 parliamentary seats to form a government without having to broker a post-election coalition.

Mr Khanna said: "The new government has been greeted extremely positively in India as it appears to be pro-foreign investment and is setting an agenda for radical economic change. Mr Modi's government has already increased the cap on foreign investment allowed by non-resident Indians (NRIs) from $75,000 to $125,000. Mr Modi is seen as pro-business and is softening the ground to attract investment in large-scale building and infrastructure projects.

"Indians want to invest in India again. Six months ago most Indians in a position to do so wanted to shift their money out of India because of the economic and political uncertainty. Now they are eager to put in place structures for wealth preservation, investment and succession planning in India and also invest outside the country, primarily in property in London, Dubai and Paris.

"While there had been strong talk of the introduction of an estate tax, there has been no mention of this since the election. However there remains a sentiment that this tax will be brought in within the next year. This has spurred a desire by Indian investors to purchase properties through trusts and to ensure they have solid succession plans in place."

Mr Khanna said the biggest immediate change was that Indians were making wills - something that had been culturally eschewed previously.

"It is the beginning of taking a mature, measured approach to succession planning both for Indian families and for their businesses. Our clients are investigating a range of different structures from trusts to educational structures for their children, property portfolios and they are looking at private trust companies for the businesses' succession planning. Nerine has seen more enquiries in the past three months than those in the previous nine months and there is a real impetus in India to get the right structures in place," said Mr Khanna.

Nerine sponsored the 8th annual Indian seminar, 2014 Indian Elections - A Game Changer?, in London in June andDirector, Mark Biddlecombe, attended. The event was chaired by Deepak Lalwani OBE, the founder and director of Lalcap Ltd, a London based consultancy specialising in doing business with India.

Mr Biddlecombe said the summit brought together a range of leading economists, bankers and advisors to discuss India's future.

"India's GDP growth in 2014/15 is expected to be around 5.5% and recovery to 7-8% will take around two to three years. The panel agreed a single window clearance for large projects - both domestic and foreign direct investment could create investment dynamism," said Mr Biddlecombe.

Mr Khanna added that the political and economic uncertainty in the past had meant there were few independent wealth specialists established in India.

"With Indians becoming increasingly sophisticated in terms of wealth structuring, it is this independence in the advice and expertise and a track record locally that Indian families and businesses are seeking. There is scepticism towards banks and financial institutions believing that the institutions' main focus lies of boosting their assets under management and not on the tailored, specific structuring needs of the client.

"Banks are not interested in taking on a trust that does not have liquid assets whereas independent specialists understand the complexities and differences of individual and familial needs, not to mention the cultural influences, and tailor their solutions accordingly. It also helps if the independent wealth specialists have both onshore and offshore experience given the new drive to seek solutions domestically and internationally."

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