

# India's market watchdog bids to boost foreign investment

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India's market regulator on Tuesday announced an overhaul of existing regulations for foreign investors, in a bid to attract crucial inflows to the country's capital markets.

India's [stock markets](#) and currency have weakened in recent weeks—the rupee to a record low last week—as overseas funds have pulled out money towards safer forms of investment on seeing the US economy recover.

The Securities and Exchange Board of India (Sebi) said in a statement it had approved changes including "simplified and uniform entry norms for [foreign investors](#)" by merging existing foreign groups into "a new investor class".

At its board meeting in Mumbai, Sebi also approved changes to the rules to allow start-ups and small and medium enterprises to list on [stock exchanges](#) without an [initial public offering](#), in a bid to boost entrepreneurship.

The proposal was approved with a "view to provide easier exit options for informed investors", Sebi said, providing "better visibility, wider investor base and greater fund raising capabilities" for start-ups.

While India is seen as a hub of entrepreneurs and huge business potential, the country has of late appeared to be failing its promising startup companies, which have struggled to find investors.

It is one of the toughest countries in the world for a startup to flourish, according to a 2012 report by US-based research firm Startup Genome, and investments from [venture capitalists](#) have reportedly dropped between 2011 and 2012.

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